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Financial Sustainability of Historic House Museums

Abstract

In a world where historic house museums are often struggling financially, it is important to analyze data to learn which innovations can increase the financial sustainability of these historic sites. My research demonstrates that an increase in the number of emotions experienced on a house museum tour is correlated with an increase in customer lifetime value. Similarly, my research finds that higher levels of perceived historical relevance on house museum tours are linked with greater customer lifetime value. My studies show that social impact initiatives at historic house museums are correlated with higher revenues and higher expenses with a neutral relationship to net revenue. Finally, my analysis indicates that mergers of house museums lead to economies of scale, operational synergies, and interpretation synergies.

Keywords

Historic house museum, financial sustainability, emotion, relevance, social impact, merger

Disciplines

Nonprofit Administration and Management | Public History

Financial Sustainability of Historic House Museums

Julia Bache

Advisor: Dr. James Thompson

Wharton Senior Thesis

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Financial Sustainability of Historic House Museums

By

Julia Bache

An Undergraduate Thesis submitted in partial fulfillment of the requirements for the

WHARTON RESEARCH SCHOLARS

Faculty Advisor:

Dr. James Thompson

Wharton Management Department

THE WHARTON SCHOOL, UNIVERSITY OF PENNSYLVANIA

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INTRODUCTION

One of my earliest and most vivid memories is visiting Historic Locust Grove as an eight-year-old to attend its holiday Candlelight program. I immediately felt at home engaging with the costumed interpreters. My family continued to tour house museums on our vacations, and these trips sparked a deeper love for historic sites. I became a costumed interpreter at Historic Locust Grove for five years before moving to Philadelphia for college. Being away from home, I wanted to find a new way to stay involved with house museums. I spent my freshman year designing and implementing my research study on emotions and historical relevance in house museum tours across Philadelphia. Over the next few years, I then studied the business implications of both social impact initiatives as well as mergers at house museums. While I feel quite at home in house museums, not everyone does. This breaks my history-loving heart. As a Wharton student, I have enjoyed combining my passion for preservation with an analytical mindset to study the business model of house museums. This thesis aims to examine several ways in which house museums can become more relevant and more financially sustainable for the 21st century.

Historic house museums represent a unique category of the museum world; they are sites that allow the public to tour an old home as a museum. Combining preservation and interpretation, these sites are some of the few landmarks in our country that give the public a life-sized glimpse into the past. Most house museums follow the same pattern: roped-off rooms curated with the family's original china sets and period furniture, a guided tour led by a docent volunteer, and tour rules such as "no touching" and "no photography." In 2014, The Boston Globe published an online article that deemed historic house museums "the sleepest corner of the museum world."¹ By 2014, the debate about historic house museums was in full swing, with articles and conference presentations debating their relevance, success, and worth. Some preservationists began arguing that "There are simply too many house museums, and many of them

¹ Graham, Ruth. "The Great Historic House Museum Debate." BostonGlobe.com. August 10, 2014. Accessed January 24, 2016. <https://www.bostonglobe.com/ideas/2014/08/09/the-great-historic-house-museum-debate/jzFwE9tvJdHDCXehIWqK4O/story.html>.

would be better off closing.”² In 2015, Frank Vagnone and Deborah Ryan dropped a bomb in the house museum world through their publication of the *Anarchist’s Guide to Historic House Museums*, a book whose pages were literally dotted with bomb icons. Vagnone and Ryan called for anarchy from the way house museums have always operated. With an introduction posing the question “Why do house museums suck?,” Vagnone and Ryan were certainly posing some radical ideas.³

Despite the national conversation about historic house museums, creating change in this field has been slow. While change in any field is difficult, there is little data available in the field of house museums to provide sites with evidence on which solutions are actually viable options. With tight budgets and limited time, strategic planning and data collection are not always top priorities for historic house museums. Data can reveal much about how these museums operate, and evidence-based decision making would be a positive next step in the field. This thesis aims to expand the frontier on what data exists in the house museum field and provide an initial analysis on that data. Even in this paper, there are many limitations on the data that I was able to collect, and there is a great deal of work that still needs to be done. Nevertheless, it is exciting to be diving into this research to test some initial hypotheses and hopefully make some interesting discoveries.

² Graham, 2014.

³ Vagnone, Frank, and Deborah Ryan. *Anarchist’s Guide to Historic House Museums*. Walnut Creek, California: Left Coast Press, 2016.

SIGNIFICANCE

Ann Pamela Cunningham and the Mount Vernon Ladies Association created the historic house museum model when Mount Vernon became our nation's first historic house museum.⁴ Patricia West highlights the ingenuity behind the new solution – opening Washington's home to the public as a museum allowed the preservationists to accomplish their goal of preserving his house, while sustaining the endeavor through admissions revenue. The creation of the house museum allowed the public to participate in an intimate visit to a historic home and fed the fire of the growing historic tourism movement. Mount Vernon is still the most popular historic estate in the country.⁵ Since the preservation of Mount Vernon, house museums have sprung up across the United States. Mount Vernon "became the blueprint for thousands of its descendants all over the country, as state and local organizations began saving significant properties in a process critics call 'museumification.'"⁶ House museums are often founded through grassroots preservation movements in which community members rally to save old homes from demolition. As the house museum model gained popularity across the nation, preservationists increasingly turned to this solution almost as a sort of default method of preserving old homes.

The house museum model has grown exponentially over the last century and a half. A 1988 survey of historic houses by the National Trust for Historic Preservation (National Trust) found that "historic properties have been turned into museums on the average of one every three and a half days."⁷ According to a 2014 estimate by the National Trust, "there are more than 15,000 [house museums] across the country—that's more than the number of McDonald's restaurants in America."⁸ Richard Moe, the former president of the National Trust, elaborated that "For many people, the terms 'historic preservation' and 'house museum' are virtually synonymous. While this perception unquestionably represents a narrow

⁴ West, Patricia. *Domesticating History: The Political Organizations of America's House Museums*. Washington: Smithsonian Institution, 1999.

⁵ Graham, 2014.

⁶ Graham, 2014.

⁷ Gerald, George. "Historic Property Museums: What Are They Preserving?" *Forum Journal* 3, no. 4 (1989): 6. Accessed March 8, 2018. National Trust for Historic Preservation.

⁸ Graham, 2014.

and inaccurate view of what preservation today is all about, there can be no question that house museums constitute the bedrock of the American preservation movement.”⁹ Some of the most famous historic sites today – such as Mount Vernon, Monticello, and The Hermitage – are historic house museums. Yet simultaneously, some of the most struggling historic sites are house museums.

Despite the astounding number of house museums across the country, or perhaps in part because of the sheer number, house museums are facing a broad decline in visitation and increasing financial instability. Unfortunately today, just as “Vince Michael ... said, there’s ‘a disconnect between the impulse of wanting to save an old house and the economic reality of running a house museum.’”¹⁰ Authors and researchers have documented this poor financial performance well. Studies show that “in 2002, the average house museum incurred a cost of \$40 per visitor but only took in \$8 per visitor. That is the definition of unsustainable.”¹¹ Visitation, and thus revenue, is down at house museums because traditional audiences are aging and house museums have generally failed to appeal to younger, more diverse audiences. Furthermore, historic homes face competition from other nearby historic houses, from non-history related cultural attractions, and even from non-cultural related leisure activities.¹² House museums are no longer the same sites of information consumption as “Social media and the internet offer more immediate sources of information.”¹³ Additionally, donors and philanthropic institutions must choose the sites they want to support financially, so donation and grant money is spread too thin. Even volunteers must pick a site or organization to which they want to dedicate their time and energy. Young and diverse community members do not identify with the too-often presented “dead rich white guy” story, so support from the community is usually minimal.

⁹ Moe, Richard. "Are There Too Many House Museums?" *Forum Journal: Project Muse* 21, no. 1 (Fall 2012): 56. Accessed March 5, 2017. National Trust for Historic Preservation.

¹⁰ Meeks, Stephanie K. "House Museums: A 20th Century Paradigm." 2013 National Preservation Conference. Preservation at The Crossroads, October 30, 2013, Indianapolis.

¹¹ Meeks, Stephanie K. "House Museums: A 20th Century Paradigm." 2013 National Preservation Conference. Preservation at The Crossroads, October 30, 2013, Indianapolis.

¹² Brackett, Carolyn. "Why Is Historic Site Visitation Down?" *Forum Journal* 19, no. 3 (2005). Accessed January 22, 2016. National Trust for Historic Preservation.

¹³ Geyer, Jim. "Historic House Museums: 'A Quirky, Dusty, and Endangered American Institution'?" Ohio Local History Alliance. October 04, 2017. Accessed February 06, 2019. <https://ohiolha.org/best-practices/historic-house-museums/>.

These trends are concerning for the future of the historic house museum industry. Will tourists continue to visit house museums? Will house museums be able to keep their doors open to the public? In Donna Ann Harris's book *New Solutions for House Museums*, she boldly offers closing and sale as an option for struggling house museums if staying open is no longer viable.¹⁴ If these sites are going to survive as museums, they need to understand what solutions are working for their visitors so that they will be able to sustain their audience base. House museums desperately need to become more relevant to their surrounding communities because today many communities would view the homes as boring, irrelevant, or even one-sided and supremacist in the stories they present. If the trends are going to change, the traditional model of interpretation and programming needs to shift. Research is much needed to allow house museums to make data-driven decisions on new strategies for the future.

¹⁴ Harris, Donna Ann. *New Solutions for House Museums: Ensuring the Long-Term Preservation of America's Historic Houses*. Lanham, Maryland: AltaMira, 2007.

LITERATURE REVIEW

Scholars have researched the implications of house museums' financial instability and how house museums are currently spending their limited budgets. The waning financial freedom has a profound impact on what house museums can accomplish: a survey conducted in 2000 found that of the Philadelphia "region's more than 275 house museums, 40% do not have professional staff. More than half have budgets under \$100,000. Less than 10 percent have a sufficient endowment of at least \$250,000 to sustain a site into the next generation."¹⁵ In *New Solutions for House Museums*, Donna Ann Harris explains her finding that the "twin missions of the organization – restoration and interpretation – cannot be fully supported" in most cases with decreasing budgets.¹⁶ Furthermore, Harris states that a "Lack of money and investment in their buildings forces house museum boards to make untenable choices—to offer engaging tours or undertake basic maintenance."¹⁷

Franklin Vagnone and Deborah Ryan researched this idea further to analyze how house museums usually decide to allocate their limited funds. In their book *Anarchist's Guide to Historic House Museums*, they write that most house museums "consider the protection, stewardship, and enhancement of their collections as their primary mission"¹⁸ and that "a great many House Museums place visitor and community concerns at the bottom of the barrel."¹⁹ While it is recognized that community concerns are not often house museums' top priority beyond the typical outreach to local school groups, the current literature has not fully explored the consequences of this budgeting decision. My research seeks to add to the literature here – I am curious about how deprioritizing visitor and community concerns might affect the museums' long term stability.

¹⁵ Harris, 11.

¹⁶ Harris, 13.

¹⁷ Harris, 3.

¹⁸ Vagnone, 51.

¹⁹ Vagnone, 19.

LITERATURE ON EMOTIONS AND RELEVANCE

From personal experiences attending events at historic sites, I felt that the most effective programs and tours were emotionally impactful, so I hypothesized that emotions could drive greater visitor satisfaction and engagement. Other museum professionals share this same instinct that emotions are a fundamental component of creating a special experience. For example, when a French World War I museum piloted a robot guided program to allow enhanced accessibility for the disabled, a project leader still knew the importance of emotion. He emphasized that this technology is “the future, but it doesn’t replace the emotions of a visit.”²⁰ Ron M. Potvin, in a guest article for AASLH (American Association for State and Local History), writes that “an old building filled with precious things carefully protected by velvet ropes and draconian guides, [offers] an experience that is alternately boring and fanciful, passive, and even off-putting.” That absence of emotion and personal connection is what the author argues represents the worst of house museums. Potvin contends that even the term “house museum” leads us to view the house in a very cold, objectified way: “A house is just a building, but a home is a place of life with the potential to connect the past and present through objects, stories, and emotions—our shared humanity.”²¹

The effect of emotions is well researched in the field of psychology. Research shows that emotions influence our attention, motivate action and behavior, and enhance our memory.²² In the broader business literature, the connection between emotions and financial performance has been proven. Research by the Harvard Business School has found that emotions do in fact tie customers to brands and drive behavior. For example, “After a major bank introduced a credit card for Millennials that was designed to inspire emotional connection, use among the segment increased by 70% and new account

²⁰ Carvajal, Doreen. “Let a Robot Be Your Museum Tour Guide.” The New York Times. March 14, 2017. Accessed February 17, 2019. www.nytimes.com/2017/03/14/arts/design/museums-experiment-with-robots-as-guides.html.

²¹ Potvin, Ron M. “House or Home? Rethinking the House Museum Paradigm.” American Association for State and Local History. August 15, 2016. Accessed October 20, 2018. aaslh.org/house-or-home-rethinking-the-house-museum-paradigm/.

²² Tyng, Chai M. “The Influences of Emotion on Learning and Memory.” *Frontiers in Psychology* 8 (August 24 2017). Accessed January 26, 2019.

growth rose by 40%.”²³ Harvard Business School found that emotional motivators provide a better indicator of customers’ future value to a firm than other traditional metrics such as brand awareness and customer satisfaction. The HBR article also mentions that most companies fail to create emotional experiences that will be relevant for their customers.²⁴

Some curators and public historians are starting to realize that emotions can play an important role in the museum experience. For example, Potvin’s article includes a bright spot: the Lower East Side Tenement Museum where visitors “seek personal relevance and often find emotional connections, in the experiences of the historic inhabitants of 97 Orchard Street... Its challenge is to draw on connections between the past and present to elevate the national conversation about immigration.”²⁵ Vagnone’s book certainly highlights the gap between the emotions conveyed on traditional house museum tours and the experiences visitors are seeking. The next step in research is to bridge the findings from business and psychology and apply them to historic house museums. If a house museum tour is a more emotional experience, the outside literature points to evidence that it should capture visitors’ attention better, motivate them to respond and act in the moment, and allow them to better remember the tour in the future. My research aims to apply current research on emotions to house museums. Do emotions at house museums create a better customer experience? Can emotions create a higher customer lifetime value for house museums? Will a more emotion-filled house museum tour spur visitors to more readily respond by contributing their time, donation dollars, social media engagement, or word-of-mouth recommendations? Research in the house museum field has not yet explicitly studied whether emotions influence these metrics of house museum success and stability.

In addition to emotionally-driven tours, I hypothesized that the content presented on house tours would have to become more relevant in order to attract a younger, more diverse audience. As a youth

²³ Magids, Scott, et al. “The New Science of Customer Emotions.” *Harvard Business Review*, (November 2015). Accessed January 26, 2019.

²⁴ Magids, Scott, et al. 2015.

²⁵ Potvin, 2016.

preservationist, I observed that many of my classmates did not love history quite as much as I did because they did not understand its relevance. Vagnone and Ryan present some critical thinking on this topic in the *Anarchist's Guide*, in which Vagnone writes, “I was struck by the enormous chasm between what the Historic House Museum community denoted as a success and what the funders and visitors thought was working.”²⁶ Vagnone and Ryan found that ropes, dates, and irrelevant programming leave guests feeling dissatisfied with their visit. *Anarchist's Guide* discusses many proposed solutions such as opening the house to allow guests to wander, telling relatable stories, and engaging the community through relevant programming and social media communications. While Vagnone and Ryan proposed relevance-based solutions, my research aims to test whether these solutions lead to financial success.

Moreover, in 2016 Nina Simon published *The Art of Relevance*, in which she explores the aspect of relevance in museum tours. She notes that “In a 2009 study at Hebrew University’s Nature Park in Jerusalem, researchers found that even a few minutes spent learning about participants at the beginning of a tour can significantly enhance visitors’ experiences.”²⁷ Simon highlights one particular bright spot of a tour that felt relevant: a tour of the Wing Luke Asian Museum in Seattle by Vi Mar that “drew us personally into the stories again and again, asking us to compare our own and our ancestors’ experiences to the stories she told.”²⁸ Simon stresses how this relevant tour was both enjoyable in the moment and unforgettable when it was over. My research aims to build on Simon’s study by analyzing the likely future financial impact of how relevant house museum tours are. If guests perceive the house museum tour to be more relevant to their modern day lives, are they more likely to have a higher customer lifetime value?

²⁶ Vagnone, 20.

²⁷ Simon, Nina. *The Art of Relevance*. Santa Cruz, California: Museum 2.0, 2016.

²⁸ Simon, 107.

LITERATURE ON SOCIAL IMPACT INITIATIVES

In addition to the importance of house museums' relevance to modern-day audiences, it is also crucial to examine their relevance to local communities. Richard Moe summarized the trend of historic house museums in Philadelphia's Germantown, a trend that is occurring in many other towns across the country: "As the economic, social, and ethnic makeup of the surrounding neighborhood has changed, these [house museums] have become anomalies, mere relics from a distant past that is perceived as having little relevance in the day-to-day lives of many of the people who now call Germantown home."²⁹ While research has identified the mismatch between historic homes and the communities they reside in, there is not much research on what community engagement or outreach programs are effective and financially viable.

Ron M. Potvin writes in his AASLH article that "During the movement toward professionalization in the first half of the twentieth century, the role of house museums as venues of activism became secondary or lost." He then notes that over the last few years, "social activism within museums has become more the norm of late, in places ... [where] museums hope to engage and inspire their visitors to engage in personal or social change."³⁰ This kind of social impact work is making an initial splash in the house museum world, but the vast majority of house museums are continuing to operate traditionally. Likely, since house museums are already nonprofits, thinking about social impact probably seems redundant when in fact it requires a different mindset and updated programming. Furthermore, research has not studied the reasons for or business implications of implementing social impact initiatives. Potvin postulates that "Identifying links between culturally relevant topics, historical importance, and mission-driven programs will result in enhanced and sustainable visitor and community

²⁹ Moe, 59.

³⁰ Potvin, Ron M.

engagement.”²⁰ This makes sense, but there is still no concrete research to support this idea in the field of house museums.

Vagnone and Ryan have identified a lack of social impact in the house museum world in their research; they state that “Few Houses focus on how to make their assets useful for, meaningful to, or have an impact on the community.”³¹ Thus, the authors propose “refocusing your HHM’s [historic house museum’s] mission statement towards achieving an impact in your community.”³² The *Anarchist’s Guide* is a very progressive piece of current literature on social impact at house museums, not just suggesting new programming but advocating that house museums adopt new mission statements. However, research has not been conducted on the feasibility or financial implications of having social impact initiatives at house museums. There is a lack of published research on whether social impact initiatives at house museums can increase their financial well-being.

Researchers note that professionals are currently still skeptical whether impact and revenue-generating activities could ever coincide. A Penn State University Abington Professor, Shan Holt, writes that “Frequently even thoughtful and innovative professionals assume that linking mission and revenue has to mean something dreadful – excluding people who cannot pay, for example, or proliferating cash services tangential to the core mission, delivering only simplified, feel-good interpretation, or valuing only those aspects of public history work that can be commoditized.”³³ It might seem questionable how a house museum would be able to create a revenue-generating impact initiative. If house museums begin trying to achieve a social impact, would they be able to simultaneously maintain financial sustainability?

LITERATURE ON MERGERS

³¹ Vagnone, 51.

³² Vagnone, 54.

³³ Holt, Shan. “Chapter 4: The Revenue Question.” 2012. Accessed October 2, 2016.

Mergers are extremely rare in the house museum world, as well as the nonprofit sector in general. In today's nonprofit sector landscape, "nonprofits have proliferated to the point where there are costly redundancies and overlapping services ... The problem is not with the effort and the public spiritedness and the energy that lies within those hundreds and thousands of nonprofits; the problem lies in the way they are structured, particularly their capital structure."³⁴ This is a direct parallel to what we are seeing in the house museum world – there are so many house museums that "Some sites wind up competing with each other: In New Hampshire, there are two Franklin Pierce house museums less than 30 miles apart, run by two different organizations."³⁵ When there are several house museums in the same area, they end up competing for visitors, funding, members, volunteers, and staff talent. Research has found nonprofit mergers to be a fruitful solution to this issue; a study by Katie Milway et al. finds that "Nonprofit mergers and acquisitions are often an effective way to deliver more and better services at lower cost." However, three main obstacles slow or prevent nonprofit mergers: "creating alignment within the boards, defining roles for senior staff, and blending the brands. These three traps can sink discussions between otherwise mission-aligned partners."³⁶ Despite the barriers and considerable time it takes to execute a merger, this could be a viable solution for many house museums.

One way that house museums could attain greater relevance and broader social impact is through merging with other house museums. Mergers have the potential to create synergies between house museums to serve the community more effectively than they could operating on their own. In her book *New Solutions for House Museums*, Donna Ann Harris presents two case studies of historic house museums that merged – the Margaret Mitchell House merged with the Atlanta History Center, and the Historic Upsala Foundation merged with Cliveden in Philadelphia. In the case of the Margaret Mitchell House, Harris discovered that the merger allowed the Mitchell House to benefit from access to the much

³⁴ McLaughlin, Thomas A. *Nonprofit Mergers and Alliances: A Strategic Planning Guide*. Hoboken, New Jersey: John Wiley & Sons, Inc., 2010. Accessed April 14, 2019.

³⁵ Graham, 2014.

³⁶ Milway, Katie Smith, et al. "Why Nonprofit Mergers Continue to Lag." *Stanford Social Innovation Review* 12, no. 2 (2014). Stanford University. Accessed April 12, 2019.

larger staff pool of the whole Atlanta History Center organization, including a stronger fundraising team. In the case of Cliveden and Upsala, Harris found that the merger allowed Cliveden to continue operating as a house museum for the public while the previously unsustainable Upsala could serve as a space for meetings, events, and staff offices. While Donna Ann Harris provides two compelling examples of historic house museum mergers, “Harris says she has seen little evidence that many house museums have taken her advice since her book was published in 2007.”³⁷ Since the concept of mergers is still relatively unfamiliar in the house museum world, it might help to analyze additional examples of house museums that have merged. The emotions and politics associated with the process of merging will always be specific to each situation, but more research is needed to flesh out the various organizational and financial results of merging. My research aims to provide additional case studies to add to the knowledge and discussion that Donna Ann Harris began in her book.

QUESTION AND HYPOTHESIS

As historic house museums are continuing to lose visitors and the financial sustainability they once had, I want to explore what solutions will lead to greater financial security so that these sites can continue to carry out their important missions. My broad research question is: **Which methods will help historic house museums become more financially sustainable?**

To answer this question, I have four main hypotheses:

1. The number of emotions felt by visitors on the house tour will impact “customer lifetime value” and thus contribute to financial sustainability.
2. The relevance level of the tour’s history to our modern day lives will impact “customer lifetime value” and thus contribute to financial sustainability.

³⁷ Graham, 2014.

3. House museums with social impact initiatives will have higher net incomes than house museums without social impact initiatives.
4. House museums that have merged into one organization will have greater financial sustainability due to synergies, economies of scale, and greater market power.

STUDY 1: CUSTOMER LIFETIME VALUE, VISITOR EMOTIONS, AND HISTORICAL RELEVANCE AT PHILADELPHIA SOCIETY FOR THE PRESERVATION OF LANDMARKS

METHODS OF DATA COLLECTION AND ANALYSIS

CUSTOMER LIFETIME VALUE (CLV): Also referred to as customer equity, Customer Lifetime Value is crucial to the success of companies and non-profit organizations. CLV is defined as:

The monetary and strategic value customers are likely to create for the company during their tenure with this company. Customer equity goes beyond the current profitability of a customer to include the entire stream of profits (adjusted for the time value of money) that a company is likely to receive from this customer. A customer can create value for the company in at least three distinct ways:

- (1) by directly generating revenues (and profits) for the company through purchase of the company's products and services (direct value),
- (2) by promoting the company's products and services to other buyers (communication value),
- (3) by providing the company with information that can help increase the effectiveness and efficiency of its operations (information value).³⁸

By providing value to the organization in these various ways, customers themselves have a large impact on the financial sustainability of the organization.

Applied specifically to historic house museums, a visitor's CLV is the net present value the historic house museum receives from a visitor over the lifetime of that visitor. For example, if a visitor attends one tour for an \$8 admission price and does nothing with the house museum for the rest of her life, her customer lifetime value is \$8. If a visitor takes an \$8 tour, attends a \$50 fundraising event, and also volunteers for 15 hours at \$10 an hour, her customer lifetime value will be \$208. Visitors that stay involved for several years will have much larger customer lifetime values than those who just take one

³⁸ Chernev, Alexander. *Strategic Marketing Management*. Eighth ed. Cerebellum Press, 2014.

tour of the museum. Thus, this metric shows why getting the community involved can be so critical to a house museum's success.

In the case of historic house museums, I focus on the visitors or guests as “customers” in this section on Customer Lifetime Value. While volunteers and donors also fall into the broad category of “total customers,” this thesis focuses on the customer experience of visitors. A house museum tour is one of the most valuable customer touch points and often the first touch point in a customer lifetime journey. While a tour could be viewed as a siloed offering at house museums, as it often is at many sites, a tour also has the incredible potential to increase visitors' CLV by inspiring them to become eventual donors, members, volunteers, etc.

My first research study was designed to test the correlation between CLV and the emotions and historical relevance that customers feel during house museum tours. To measure my first two hypotheses, I utilized the method of post-tour surveys so I could quickly learn more about each customer's individual tour experience and potential CLV. I surveyed visitors at the end of their house tours at four historic house museums across Philadelphia: the Powel House in Old City, the Physick House in Old City, Grumblethorpe in Germantown, and Waynesborough in Paoli. These four house museums are all part of a consortium of house museums in Philadelphia called PhilaLandmarks (the Philadelphia Society for the Preservation of Landmarks). In total, I received a sample size of 134 survey responses. I received 84 responses from Powel House visitors, 43 responses from Physick House visitors, 4 responses from Grumblethorpe visitors, and 3 responses from Waynesborough visitors.

To analyze each customer's CLV, I surveyed the customers on how likely they were to participate in certain actions that would add up to their CLV. Since it was infeasible for the purposes of and time limits on this study to track exactly which guests stay involved over the rest of their lifetimes, I focus on analyzing their likelihood of staying involved as a proximate measure of their future involvement. Since

customers can add value to organizations in three major ways, I wanted to ask questions to try to measure all three types of value: direct value, communication value, and information value.

1. Direct value:

- a) How likely are you to take the tour again?
- b) How likely are you to attend an event at the house?
- c) How likely are you to take a tour of another PhilaLandmarks site?
- d) How likely are you to become a member of PhilaLandmarks?
- e) How likely are you to donate to PhilaLandmarks?

2. Communication value:

- a) How likely are you to recommend the tour to others?
- b) How likely are you to follow PhilaLandmarks on social media?

3. Information value:

- a) How likely are you to become a volunteer at the house museum?
- b) How likely are you to get involved in historic preservation initiatives?

To measure each visitor's CLV, I provided these choices as answers to the questions above:

Extremely likely Very likely Somewhat likely Not so likely Not at all likely

EMOTIONS: To analyze the effect of emotions, I surveyed customers about which emotions they had felt along the tour. My survey provided a list of emotions for visitors to check, as well as a blank space to list other emotions they had experienced. The survey menu is as follows:

Did you feel any emotional connections to the stories and the people you learned about on the tour?

Check all that apply.

Joy Sadness Disgust Surprise Anticipation Admiration

No, I didn't feel any emotional connections

Other(s) (please specify) _____

After collecting the survey responses, I counted the number of emotions that each visitor experienced on the tour.

HISTORICAL RELEVANCE: To analyze the effect of historical relevance, I surveyed customers about how relevant they thought the history presented on the tour was to their modern day lives.

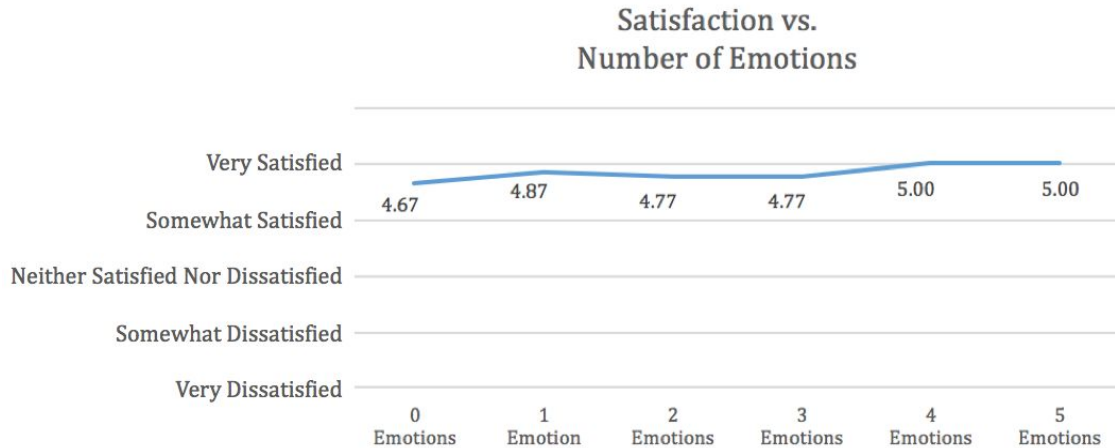
Do you feel that the history presented on the tour relates to your modern day life?

Very much Somewhat Neutral Not so much Not at all

I tried to reduce survey bias by asking questions about CLV likelihoods before asking questions about emotions and historical relevance.

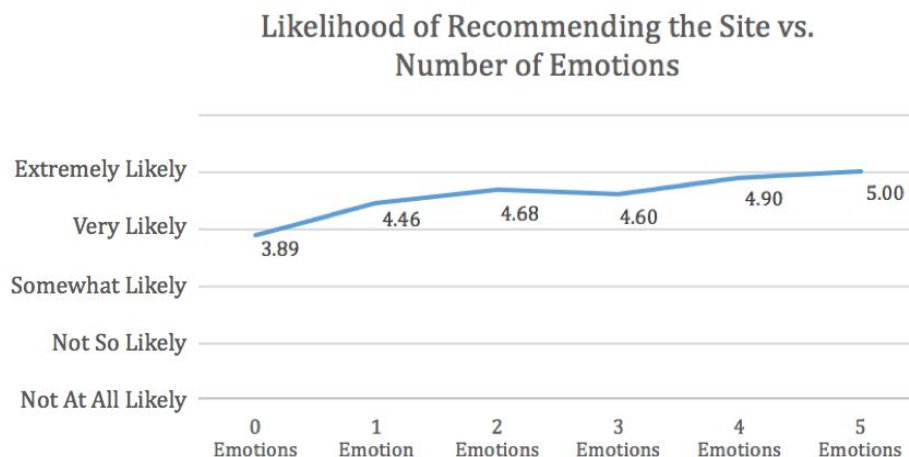
RESULTS: EMOTIONS

GRAPH 1: As the graph shows with the high average satisfaction levels, most people who took the house tour reported being “very satisfied” with the tour. This is probably the case due to a somewhat self-selecting audience; most people on house museum tours choose to visit, so they are generally satisfied with their experiences. However, upon diving deeper into the numbers, there is a noticeable difference between visitors who felt different levels of emotions. While 100% of people who felt 4 or more distinct emotions were “very satisfied,” only 56% of people who felt 0 emotions were “very satisfied.” This data implies that more emotions are correlated with greater levels of satisfaction.



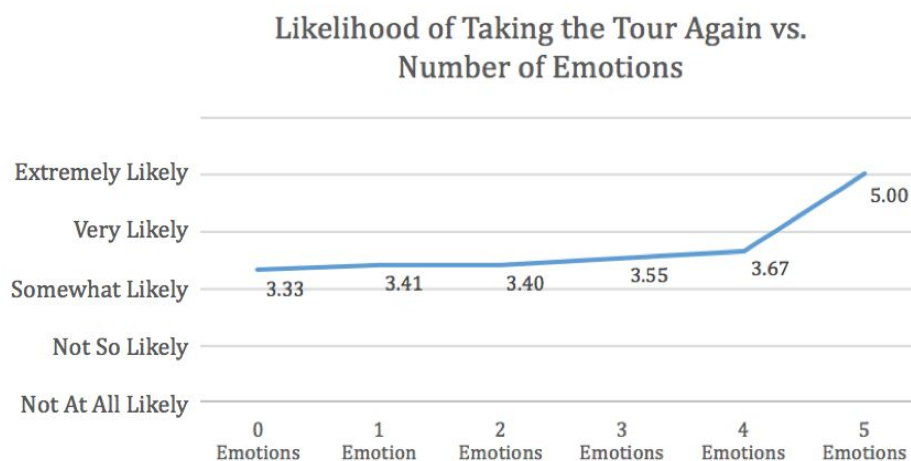
TAKEAWAY: The number of emotions guests feel on house tours is slightly correlated with satisfaction. Visitor satisfaction will not directly add immediate monetary value to the organization per se, but higher satisfaction levels could lead to an increase in visitors' likelihood of staying involved.

GRAPH 2: It is clear that there is a large increase in average likeliness to recommend the site as the number of emotions increases. While 90% percent of people who felt at least 4 different emotions were "extremely likely" to recommend the tour to others, only 30% of people who felt 0 emotions were "extremely likely" to recommend the tour.



TAKEAWAY: An increase in the number of emotions on a tour is strongly related to a large increase in visitors' likelihood of recommending the tour to others. Visitor recommendations of the tour are crucial because word of mouth marketing is extremely powerful.

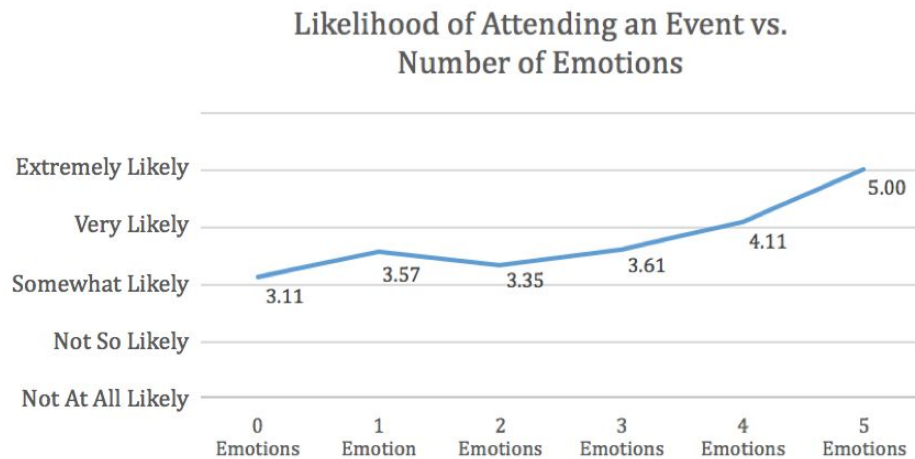
GRAPH 3: When asked how likely they would be to take the house tour again, the majority of people who felt 3 or more emotions were either "extremely likely" or "very likely" to take the tour again. Conversely, the majority of people who felt 2 or fewer emotions were either "somewhat likely," "not so likely," or "not at all likely" to take the tour again.



TAKEAWAY: There is a slight connection between the number of emotions visitors felt and their likelihood of taking the tour again. Most people tend not to take a second tour of a house museum, but they might be motivated to return and repeat the tour a second time if they experienced multiple emotions on their first visit. Visitors could be encouraged to take the tour again if they want to bring friends and family. They also might want to return themselves to tour during a different season or to view a new temporary exhibition.

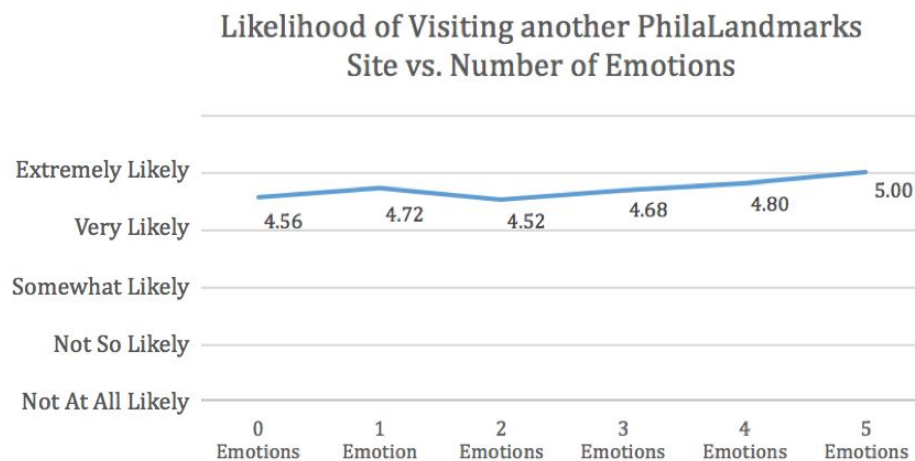
GRAPH 4: As the number of emotions increased, the average likelihood of attending an event increased dramatically. Nearly 60% of visitors who felt at least 1 emotion were either "very likely" or "extremely

likely” to attend an event at the house, but 60% of the visitors who felt no emotions were only “somewhat likely,” “not so likely,” or “not at all likely” to attend an event at the house.



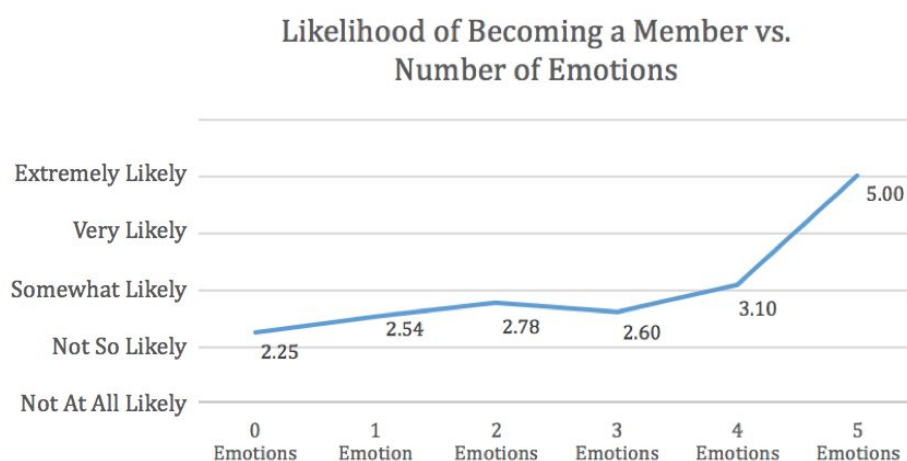
TAKEAWAY: There was a substantial slope for the relationship between number of emotions and likelihood of attending an event at the house museum. Events are crucial to the ultimate financial sustainability of house museums because they engage the community and provide additional revenue.

GRAPH 5: There appears to be a correlation between the number of visitor emotions and the increased possibility of touring a similar site. Whereas 80% of people who felt 4 or 5 various emotions on the tour were “extremely likely” to tour another PhilaLandmarks site, only 50% of people who felt no emotions were “extremely likely” to tour another PhilaLandmarks site.



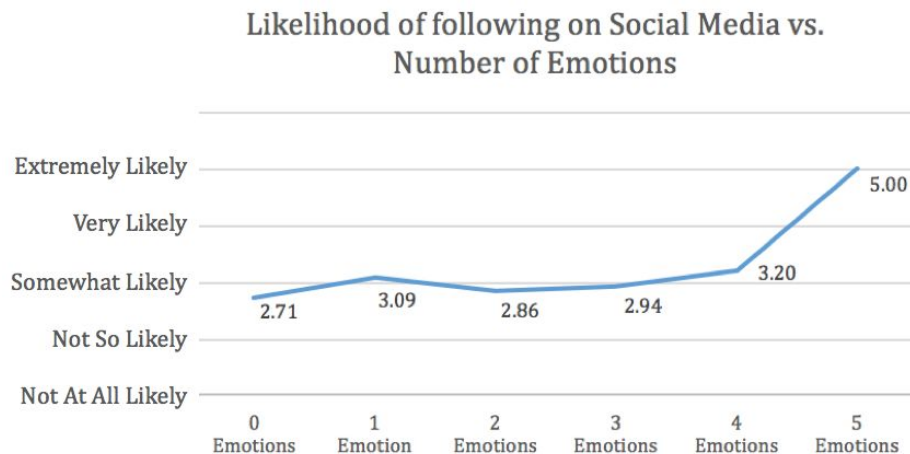
TAKEAWAY: There is a noticeable trend that people who feel more emotions on house tours are more likely to want to tour a similar site. This could be particularly beneficial to keep in mind for consortiums of house museums or organizations that operate more than one house museum.

GRAPH 6: When asked if they could envision themselves becoming members, visitors on average were not particularly ready to take the leap of becoming a member after one tour. However, the numbers do show that the more emotions people felt, the more likely they were to consider the idea of membership.



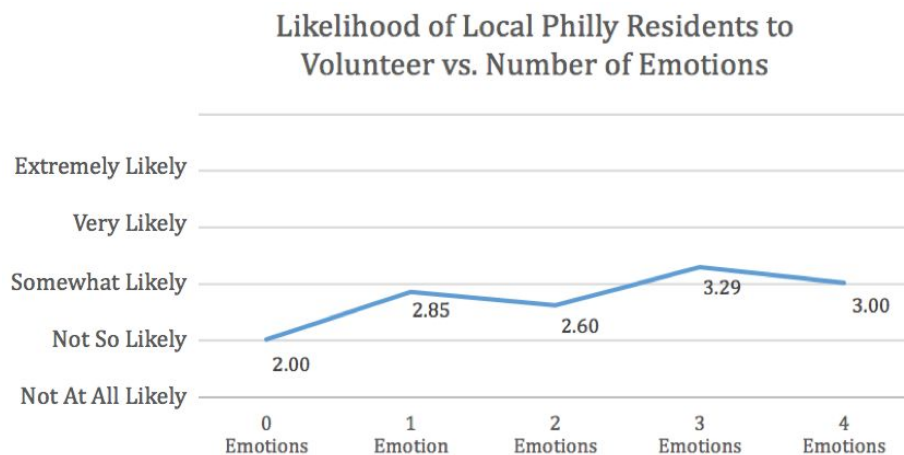
TAKEAWAY: While the rate of visitors becoming members after participating in a single house tour might be low on average, one way to increase this rate could be to enhance the number of emotions visitors feel throughout the tour of the house museum.

GRAPH 7: Surprisingly, the average visitor was not very inclined to follow PhilaLandmarks on social media. There is a loose correlation, however, between the likelihood of following PhilaLandmarks on social media and the number of emotions felt on the tour. It appears that the number of emotions matters most in the “not at all likely” category. No one who felt 4 or 5 emotions was “not at all likely” to follow PhilaLandmarks on social media, but at least 20% of people who felt 0 or only 1 emotion were “not at all likely” to follow PhilaLandmarks on social media.



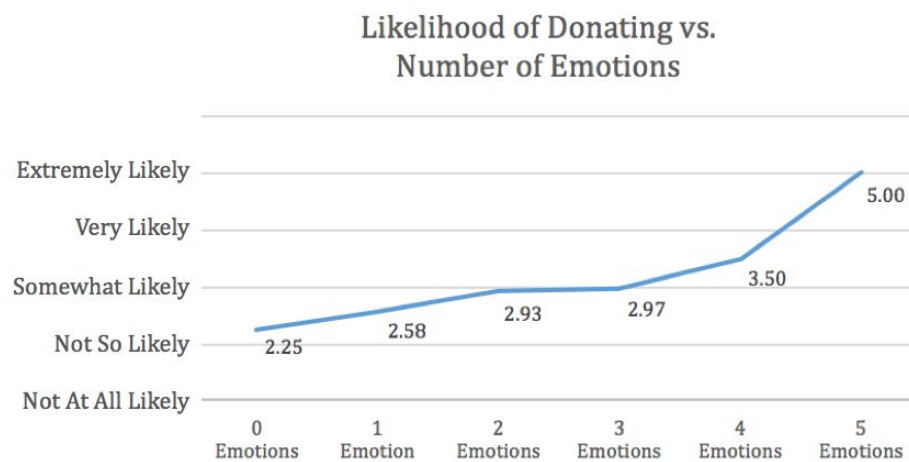
TAKEAWAY: While many house museums visitors may not feel especially compelled to follow the house on social media, increasing the number of emotions guests experience on a tour could potentially result in additional social media engagement.

GRAPH 8: I analyzed the relationship between guests' likeliness of volunteering and their number of emotions, specifically looking at the data points of visitors from the local area. On average, there was a loose correlation between these two metrics and visitors were slightly more likely to consider volunteering when they recognized more emotions.



TAKEAWAY: Out-of-town tourists are obviously not potential volunteer candidates, but local audiences could be more easily engaged as new volunteers if tours are updated to include more emotions.

GRAPH 9: The results follow this trend line closely as people reporting more emotions are more likely to donate than those noting fewer emotions. In total, 30% of people who felt 4 or 5 emotions were “extremely likely” to donate, while 0% of visitors who felt 0 emotions were “extremely likely” to donate. On the other end of the spectrum, 33% of no-emotions visitors were “not at all likely” to donate whereas none of the high-emotion visitors were “not at all likely” to donate. There is certainly a strong correlation here between emotions and donations.



TAKEAWAY: There is a strong relationship between house museum visitors’ emotions and their willingness to donate. Adding emotions to the tour experience could be an effective way to encourage visitors to donate after the tour.

RESULTS: RELEVANCE

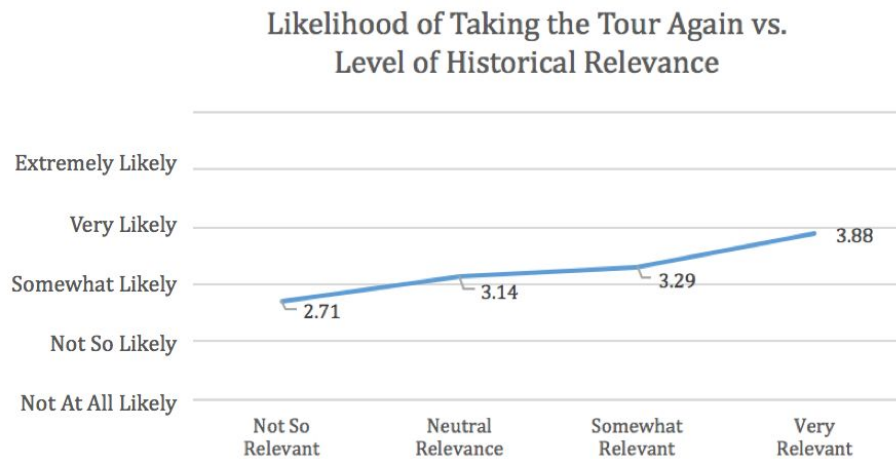
In addition to examining emotions on the tours, it was interesting to study how visitors' rankings of historical relevance related to the CLV categories. No one ended up ranking the tours as "not at all relevant," so the answers ranged on a scale from "not so relevant" to "very relevant."

GRAPH 1: In comparing the average level of satisfaction to tour relevance, there appears to be a slight upward trend after a dip at "neutral relevance." For visitors who ranked the tour as "very relevant," 94% were "very satisfied" with the tour. Only 76% of visitors who found the tour of "neutral relevance" were "very satisfied" with the tour. Surprisingly, all of the visitors who felt the tour was "not so relevant" still reported they were "very satisfied." Their rating on this question was a bit of an anomaly compared to how they rated their likeliness to become involved in the future in the other categories.



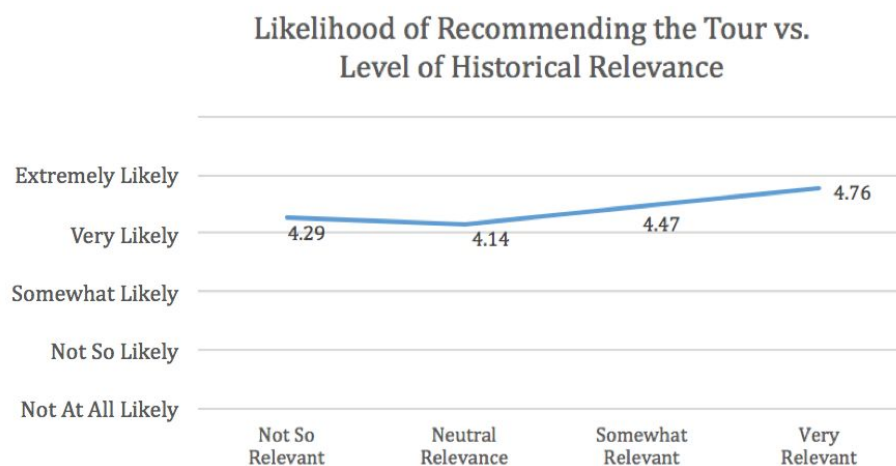
TAKEAWAY: There is a shallow upward trend in which greater relevance is correlated with higher satisfaction.

GRAPH 2: The level of historical relevance is clearly correlated with the likelihood of taking the tour again. More visitors reported they were "very likely" or "extremely likely" to take the tour a second time as their opinions of the tour's relevance increased.



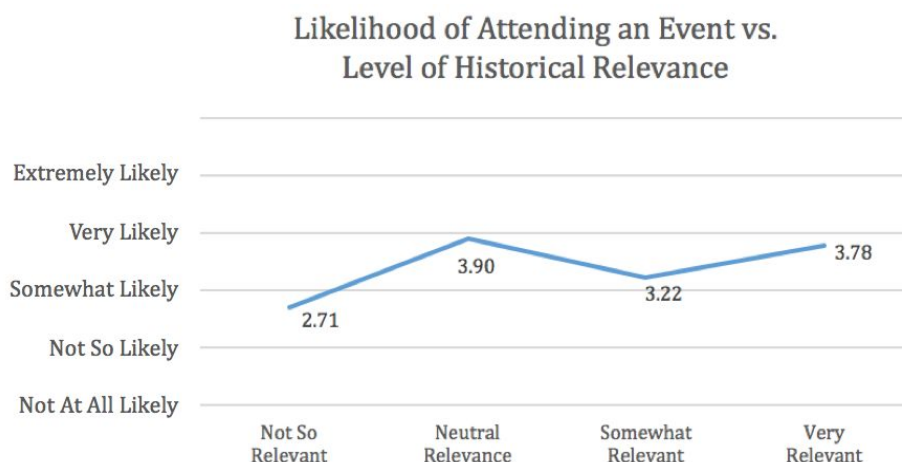
TAKEAWAY: Increasing the level of relevance could be a way to prompt visitors to repeat the tour. This would be helpful in encouraging guests to return for changing exhibits or to return with friends and family.

GRAPH 3: The probability of recommending the tour followed a fairly linear trend line. While 80% of guests who felt the tour was “very relevant” were “extremely likely” to recommend the tour, only 57% of people who found the tour “not so relevant” were “extremely likely” to recommend the tour.



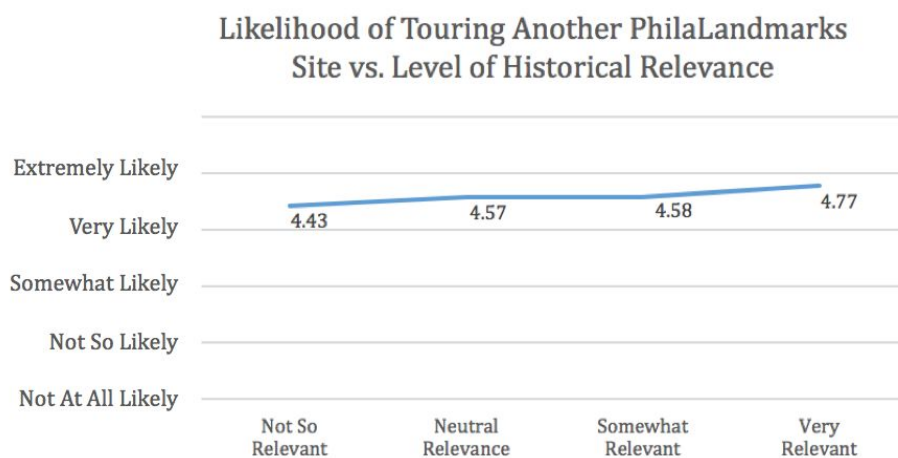
TAKEAWAY: Ensuring the content of the house tour is relevant to visitors could be a helpful strategy to strengthen recommendations and positive word-of-mouth marketing.

GRAPH 4: Visitors' likelihood of attending events at the house museum varied dramatically. Still, over half of the people who thought the tour was "not so relevant" were "not at all likely" to attend an event at the site.



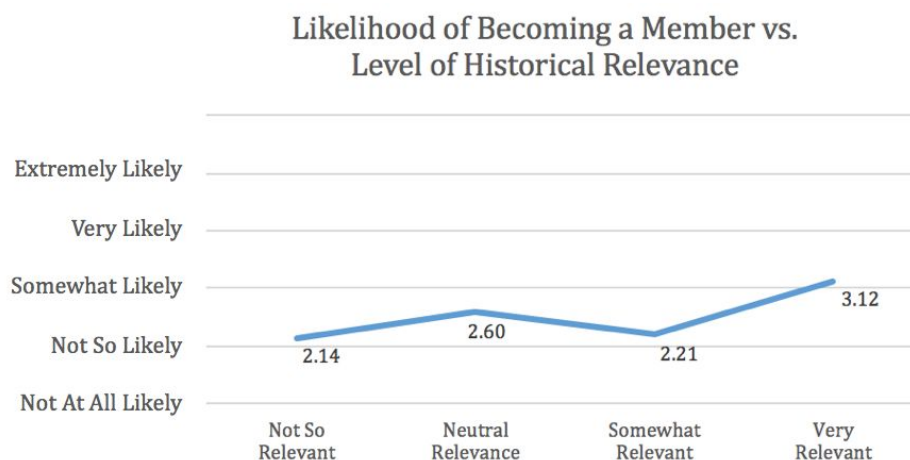
TAKEAWAY: Ensuring the history presented on the house tour is at least "neutral relevance" or "somewhat relevant" could help prevent visitors from being "not at all likely" to attend an event.

GRAPH 5: While 83% of guests who thought the tour was "very relevant" were "extremely likely" to tour another PhilaLandmarks site, 71% of those rated the tour as "not so relevant" were "extremely likely" to tour another PhilaLandmarks site. The slope is not very steep, but it is positive.



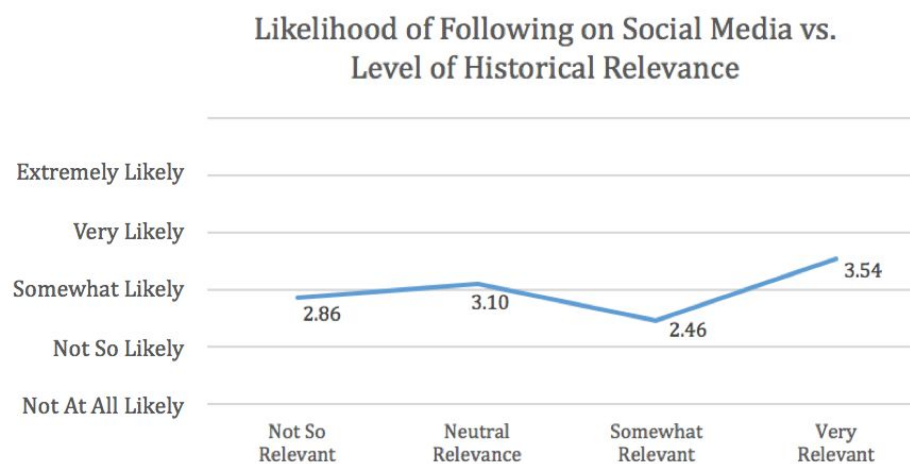
TAKEAWAY: Greater relevance may slightly encourage tourists to visit another PhilaLandmarks site.

GRAPH 6: A significant 57% of those who ranked the tour as “not so relevant” were “not at all likely” to become a member of PhilaLandmarks. In this graph in particular, there is a spike in probability of becoming a member when the tour is very relevant.



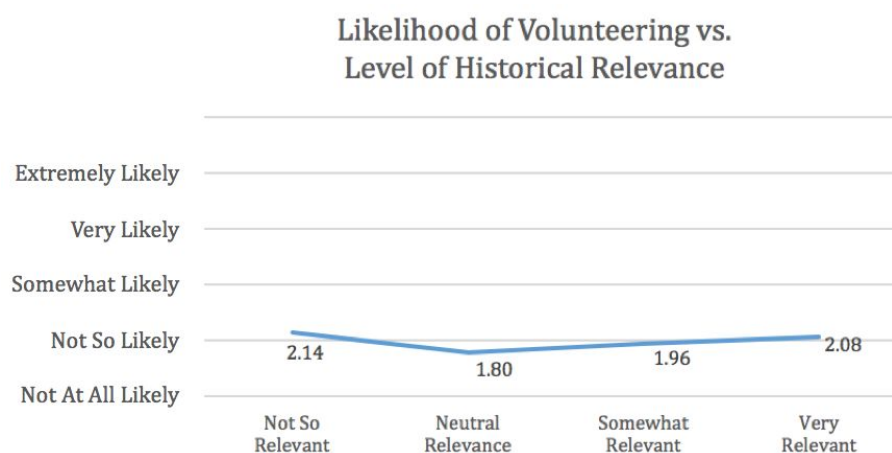
TAKEAWAY: Most tourists are not inclined to sign up for membership after a single house tour, but ensuring the tours are very relevant to visitors could be a way to encourage membership.

GRAPH 7: There is a clear correlation between visitors’ perceptions of relevance and their likeliness of following PhilaLandmarks on social media. This makes sense as people enjoy seeing relevant social media posts in their feeds.



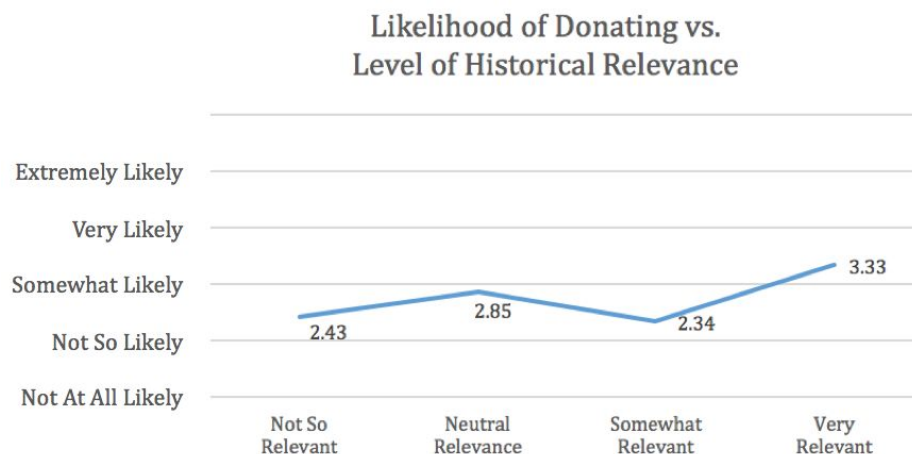
TAKEAWAY: Visitors are more willing to follow social media accounts that are pertinent to them, so increasing the relevance of the tour content can be a great way to signal social media relevance. Ensure museums' social media content is relevant as well to attract and retain followers.

GRAPH 8: With this initial study, there does not appear to be a correlation between relevance and guests' likelihood of volunteering at the site.



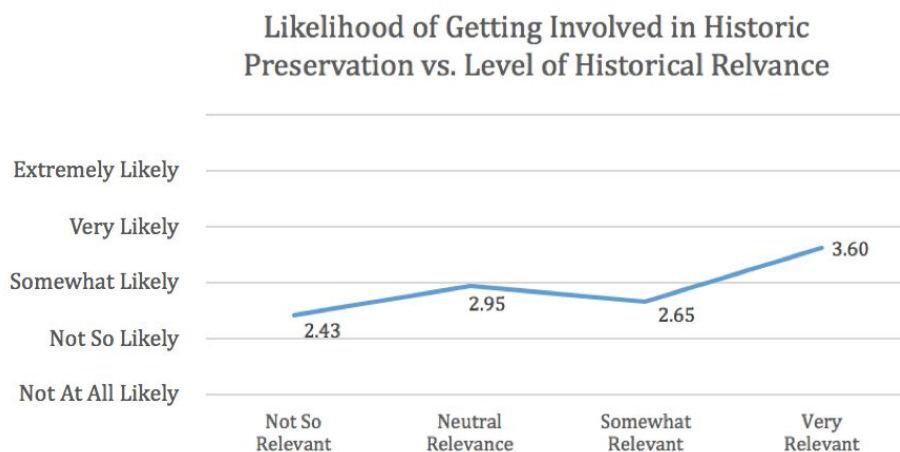
TAKEAWAY: Not many visitors are likely to volunteer after one tour. The level of the tour's relevance does not seem to greatly impact visitors' likelihood of volunteering.

GRAPH 9: Nearly half of those who ranked the tour as “not so relevant” were “not at all likely” to donate, whereas those viewed the tour as “very relevant” were much more likely to donate to the historic site.



TAKEAWAY: Since there is a spike in the likelihood of donating among those who felt the tour was “very relevant,” house museums could increase the relevance of their tours as a potential strategy to receive more donations.

GRAPH 10: Whereas 36% of guests who noted the tour was “very relevant” were “extremely likely” to get involved in historic preservation, only 14% of guests who thought the tour was “not so relevant” were “extremely likely” to get involved in historic preservation. We again see a spike in potential future preservationists when the tour was perceived as “very relevant.”



TAKEAWAY: Increasing the tour’s relevance could show visitors why getting involved in preservation is worthwhile in the 21st century.

STUDY 1 TAKEAWAYS: Ultimately, my hypotheses were supported by the data. Increasing the number of emotions guests feel on tours is correlated with higher customer lifetime value. Similarly, raising the relevance of the history presented on the tour is correlated with elevated customer lifetime value. Strengthening the emotions and relevance on house museum tours could be effective strategies for greater financial sustainability.

STUDY 2: SOCIAL IMPACT INITIATIVES AT HISTORIC HOUSE MUSEUMS

METHODS OF DATA COLLECTION AND ANALYSIS: STATISTICAL STUDY

I conducted a statistical study to analyze the financial results of social impact initiatives at historic house museums. I gathered and recorded financial statistics from house museums' 990 Forms in the GuideStar database. Once I had all the financial information recorded, I grouped the house museums in my dataset into two categories: social impact and non-social impact. I organized the museums into these two categories based on whether or not their mission statements were impact-oriented. I chose to analyze the mission statements rather than look for one-off impact programs because I conjectured that an impact-based mission statement would affect the bottom line more than an occasional impact program.

Upon recommendation from Wharton statistics professor Abba Krieger, I utilized the Wilcoxon statistical test to measure the difference on each financial metric between social impact house museums versus non-social impact house museums. I looked at both revenue and expense categories as well as net revenue.

See Appendix for more details on methods of data collection and analysis.

RESULTS: STATISTICAL STUDY

NOTE: In the graphs below, dark blue signifies a statistically significant difference between social impact and non-social impact. Light blue signifies a difference between the categories that is not statistically significant. The Wilcoxon test determines which results are statistically significant.

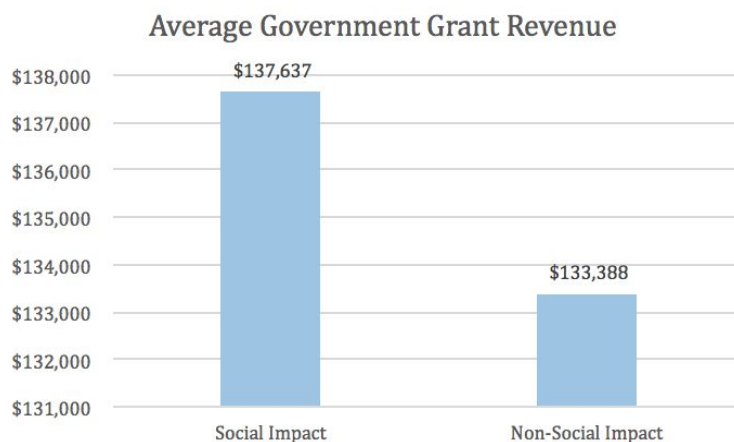
GRAPH 1 - CONTRIBUTIONS AND GIFTS REVENUE: In this comparison, I found that contributions and gifts are higher at house museums with social impact initiatives. This finding is statistically significant.

The impact-oriented mission statements allow sites to appeal to a wider variety of foundations and donors who might care about causes beyond preservation. Thus, it makes sense that social impact sites are correlated with higher levels of donations.



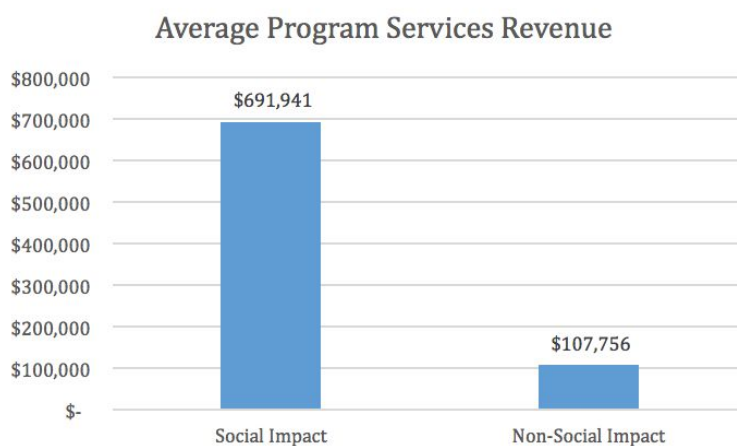
TAKEAWAY: House museums could potentially attract a wider variety of gifts and grants if they implement impact initiatives or include impact in their mission statement.

GRAPH 2 - GOVERNMENT GRANT REVENUE: House museums with impact initiatives have slightly higher revenue from government grants. This difference is not statistically significant, as city, state, and federal governments fund preservation work at historic house museums across the country.



TAKEAWAY: While there is no statistically significant difference here now, government funding is not always certain. Moving forward, house museums with impact initiatives could potentially win government funding if humanities and arts budget cuts continue and if the concept of social impact continues to grow.

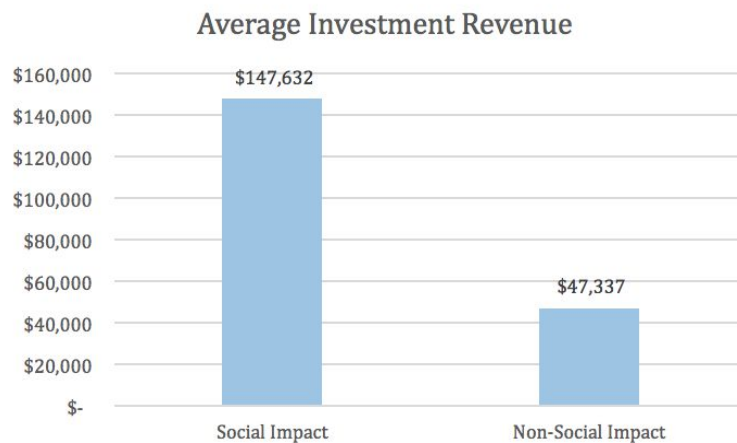
GRAPH 3 - PROGRAM SERVICES REVENUE: This graph shows that house museums with social impact initiatives have higher program services revenue, and the difference is statistically significant. This means that, on average, impact-oriented house museums are earning more income for their core services.



TAKEAWAY: This implies that the house museum audience base is either larger at social impact house museums, or the constituents are willing to pay more for the museums' core services, or both. Either way,

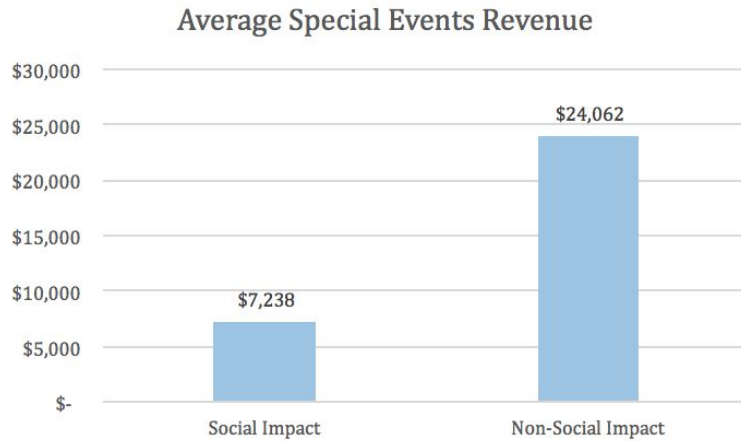
it appears that social impact initiatives provide a greater value proposition for the average customer. Implementing a social impact focus could be beneficial in generating more earned income.

GRAPH 4 - INVESTMENT REVENUE: There is an insignificant difference between investment revenue at impact versus non-impact house museums. While the difference below appears to be significant, the Wilcoxon test has determined that the difference is actually insignificant.



TAKEAWAY: While the level of contributions might affect the size of a historic home's endowment, the presence of a social impact initiative is not correlated with the success of the organizations' investments.

GRAPH 5 - SPECIAL EVENTS REVENUE: Between impact and non-impact driven historic house museums, there is no statistically significant difference in the amount of special events revenue they are generating. Non-social impact houses seem to generate more special events revenue, but this result is not significant.



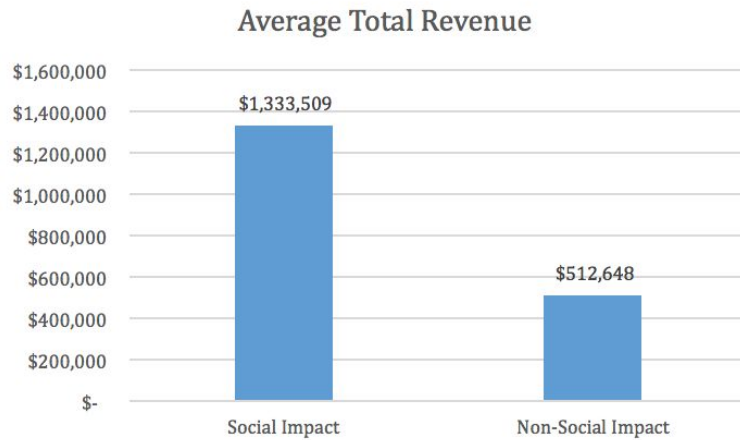
TAKEAWAY: Since the result is not significant, we cannot conclude that instituting a social impact initiative will certainly be correlated with lower special event revenue.

GRAPH 6 - SALES REVENUE: The graph shows that social impact sites have higher sales revenue, a finding which is statistically significant.



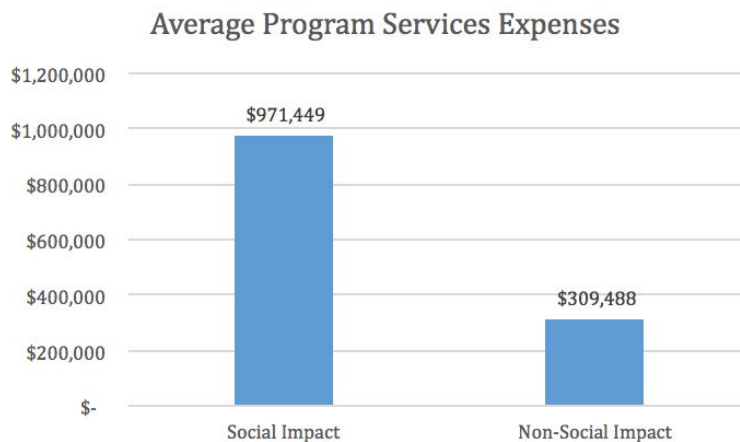
TAKEAWAY: Visitors to social impact sites might be more interested in making purchases if they view the items for sale as more relevant, or if they view their purchases as supporting a good cause. When implementing social impact initiatives, house museums should consider how auxiliary sales can both generate additional revenue and further their mission.

GRAPH 7 - TOTAL REVENUE: The graph highlights that social impact sites have higher total revenue, and this number is statistically significant.



TAKEAWAY: Since house museums with social impact missions have higher total revenue, managers at house museums should consider implementing impact initiatives as a way to increase total revenue. It is true that this graph can only confirm a significant correlation rather than verify causation, but adding a social impact focus at house museums has a great potential to lead to stronger financial sustainability through its positive relationship with revenue.

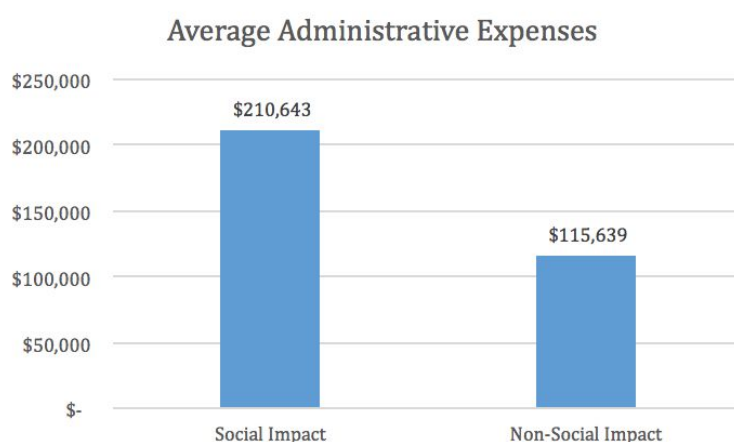
GRAPH 8 - PROGRAM SERVICES EXPENSES: It is evident that house museums with social impact initiatives have statistically significantly higher program services expenses.



TAKEAWAY: The results indicate that social impact initiatives are more costly to implement. They likely require greater start-up investments, planning costs, and greater marketing or outreach expenditures.

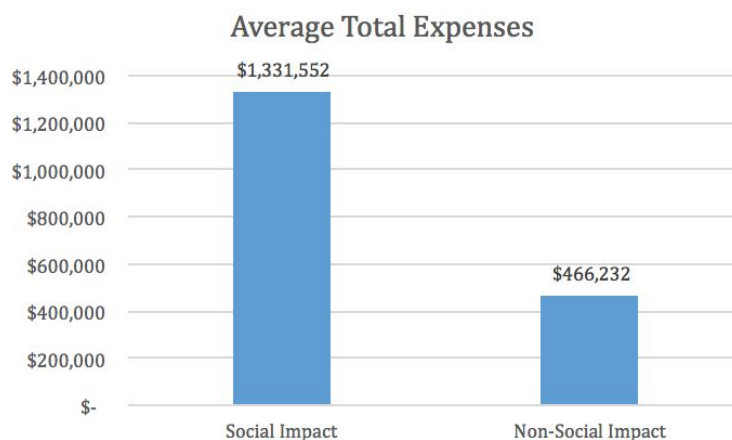
House museums should think about what additional costs might be incurred as a result of taking on a social impact mission and evaluate whether those costs will be justified by the revenue projections and long-term mission of the organization.

GRAPH 9 - ADMINISTRATIVE EXPENSES: Impact-oriented house museums also have higher administrative costs. This finding is statistically significant.



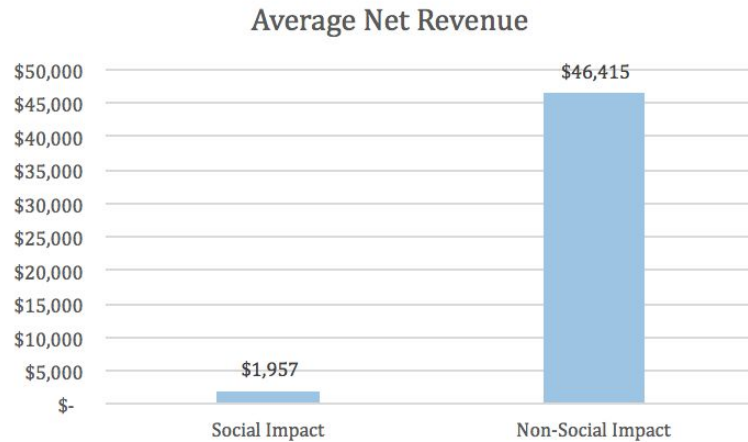
TAKEAWAY: House museums with impact initiatives will likely need to hire additional staff that have different skill sets from traditional preservationists. With social impact initiatives, house museums might incur additional operating or accounting costs as they include new program offerings.

GRAPH 10 - TOTAL EXPENSES: At house museums with social impact initiatives, there are greater costs and this finding is statistically significant.



TAKEAWAY: As house museum managers and board members consider the option of implementing an impact-oriented mission, they should consider all of the additional costs it will require. What additional staff will it take to manage new initiatives? What additional costs are associated with outreach, surveys, marketing, and new programming? How do these costs fit into the picture of future revenues, community engagement, site relevance, and museum reputation?

GRAPH 11 - NET REVENUE: While house museums without social impact initiatives have higher net revenue on average, this finding is not statistically significant according to the Wilcoxon test. Thus, there is no indication that net revenue will be lower if a social impact initiative is implemented. My original hypothesis that house museums with social impact initiatives will have higher net revenue is not proven by the data, yet the data shows they do not have significantly lower net revenue either.



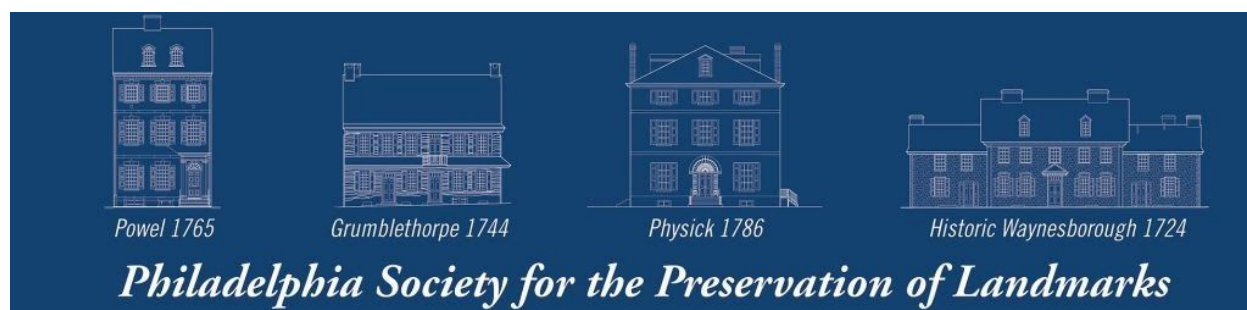
TAKEAWAY: Social impact initiatives at house museums are correlated with both higher revenues and higher expenses. Is there a way to benefit from higher revenues associated with social impact initiatives while also moving towards lower expenses? I think that there could potentially be a learning curve associated with implementing impact initiatives at house museums. Since social impact in the house museum field is a relatively new concept, the costs have the potential to decrease as the implementation is streamlined. Additionally, this is just a snapshot of net revenue from 2015, so have these metrics improved over time? More research is needed to analyze the correlation with net revenue over time.

NOTE: Correlation does not equal causation. Just because social impact-focused house museums have higher revenues and expenses in this study does not mean that this is a result of the impact initiatives. It could be, for example, that house museums with already-larger budgets were better positioned to create impact initiatives.

METHODS OF DATA COLLECTION AND ANALYSIS: CASE STUDIES

Since social impact initiatives are not very prevalent in the historic house museum field, I conducted three case studies of historic house museums with social impact initiatives to complement my statistical analysis. The purpose of these case studies is to qualitatively analyze measures of success as well as failure that come with social impact initiatives and missions. For my case studies, I analyzed the Juliette Gordon Low Birthplace in Savannah, GA, the Pearl S. Buck House in Bucks County, PA, and Grumblethorpe in Germantown, Philadelphia, PA. To gather data for these case studies, I interviewed the directors of each historic house museum. I asked a wide variety of questions in order to learn more about their social impact initiatives and about how social impact initiatives affect the operations and financial sustainability of the house museums.

RESULTS: CASE STUDIES



GRUMBLETHORPE: Grumblethorpe is a historic home in Germantown, Philadelphia. This site is one of the four historic house museums owned and operated by the Philadelphia Society for the Preservation of Landmarks (PhilaLandmarks). Due to its location in the underserved neighborhood of Germantown, it has a unique opportunity to make a difference in the community. Grumblethorpe is not located on the typical tourist path; it is not only outside the tourist hub of Old City where so many historic sites are within walking distance, but it is approximately 30 minutes driving distance from Old City. Furthermore, Grumblethorpe is located in a neighborhood in which the financial capacity to donate is limited and the demographics are now very different from what they were during the home's period of significance. It seems like a challenging feat for this historic home to become a productive asset with sustainable operations.

However, Grumblethorpe is making its mark on the community through positive social impact with relevant offerings and positive change in the lives of local youth. Grumblethorpe primarily delivers educational programs for local Germantown schools. These are not the typical house museum programs that invite any and all school groups to boost revenue. Instead, Grumblethorpe engages children from schools that are within walking distance from the site and offers these educational programs for free, several times a year. Some select schools can afford to pay for their services, so a few do pay for Grumblethorpe's programming. Grumblethorpe is a rare house museum to have programming dedicated

specifically to children with special needs and disabilities. PhilaLandmarks spends valuable time writing grants to be able to run these amazing programs for local children in a manner that serves their needs. This education program has a deep reach within the neighborhood; over 1,000 unduplicated students participated in Grumblethorpe's free educational program in 2015, plus another 200-300 participated in the programs funded by their schools.

For middle and high school aged youth, Grumblethorpe offers its signature GYV Program - the Grumblethorpe Youth Volunteer Program. This program is a tight-knit community that offers learning and leadership opportunities for around 20 students in 6th through 12th grade. It is a year-round program that involves docenting in the house, event planning, gardening, cooking, and visiting other historic sites. One of the most prominent aspects of the program is the summer farm stand that gives GYVs a summer job and teaches them about entrepreneurship, leadership, and management. The GYV program began when Grumblethorpe wanted to find a way to continue serving the local youth even when they were too old for the traditional K-5 educational programs. Today, the GYV program tackles several issues in the community. With not much green space in Germantown today, the GYV program gives youth a rare opportunity to grow their own crops in the garden. Germantown is also considered a food desert, so the farm stand provides fresh produce at an affordable price. In a neighborhood where youth do not have many employment or leadership opportunities, the farm stand provides them with a summer job that allows them to learn entrepreneurial skills in their own neighborhood.

In 2017, the then Director of PhilaLandmarks Jonathan Burton sent me an article about an unauthorized gathering of juveniles in Germantown that was meant to be a fun summer get-together but unfortunately led to a confrontation with police. The article underscored the issue as "Councilwoman Cindy Bass said the following about the incident Monday: 'It is clear that this situation highlights a serious need in the City of Philadelphia. One of the things I hear time and time again from our youth is

that they do not have anything to do, especially in the summer.”³⁹ Burton emphasized that this is why the Grumblethorpe Youth Volunteer program is so successful. He wrote, “While it’s a year-long program, the summer farm stand is the prime reason why our kids are exceptional. No GYV has ever been arrested while in the program. Or after the program for all we know.”⁴⁰

I interviewed some of the GYVs to see how they felt about their experiences in the program. Ben, a fourteen-year-old GYV, said he loved preparing the produce for sale and managing the business side of the farm stand. Seventeen-year-old MyKyah remarked that “Grumblethorpe is also relevant because of the events we put on which allow the GYVs to practice organizing, planning, and communicating on what is going well and what we can do better.”⁴¹ Destiny, another 17-year-old GYV, noted that “Grumblethorpe is a sanctuary for some people since gardens are not common in Philly. Through the program, I have learned what it takes to run a business which has inspired me to run my own business someday and potentially major in business in college.”⁴² Jordan, a 19-year-old who had been a GYV for 7 years summed it up powerfully: “We need a place like this. It’s run by youth. It keeps us busy and keeps a lot of us out of trouble. It’s really good for you. Anything can be run by adults, but when you get something run by youth it adds spice to it!”⁴³

These social impact initiatives at Grumblethorpe are making a huge difference in the community, but they do require a lot of resources to implement. In addition to hiring site managers like PhilaLandmarks employs at each of its four houses, Grumblethorpe must support an education professional and a farmer. As Burton pointed out, “Yes, these programs are more costly, but if we do not have these programs, what’s the point of Grumblethorpe? This house has taken on an important role in the community and without these programs there wouldn’t really be a point for it to be a house museum.”⁴⁴ In

³⁹ Nieves, Alicia, and Henry Rosoff. “Hundreds Of Teens Confront Philly Police Following Barbecue At Recreation Center.” *CBS Philly*, CBS. July 17, 2017. Accessed July 17, 2017.

⁴⁰ Burton, Jonathan. Email to Julia Bache. July 17, 2017.

⁴¹ MyKyah. “Interview of MyKyah.” Interviewed by Julia Bache. June 17, 2016.

⁴² Destiny. “Interview of Destiny.” Interviewed by Julia Bache. June 17, 2016.

⁴³ Jordan. “Interview of Jordan.” Interviewed by Julia Bache. June 17, 2016.

⁴⁴ Burton, Jonathan. “Interview of Jonathan Burton.” Interviewed by Julia Bache. June 27, 2017.

order to meet funding needs, Grumblethorpe applies for a variety of grants. Since these programs have such a profound impact in the community, Grumblethorpe relies on a wider variety of foundations and grant opportunities than it would if it were just offering tours and history lectures. To put its grant revenue in perspective, Grumblethorpe's grant money alone is three times the amount of admissions revenue at all four PhilaLandmarks houses combined.

Grumblethorpe is a house museum where the social impact initiatives are more costly to operate and bring in higher grant revenue than the site would normally receive without them. Are these social impact programs worth it? Are they worth the extra expenses and the hustle to get grant money to support them? Ask the GYVs - they're providing produce to the community, learning business skills, going to college, and becoming entrepreneurs. But the impact doesn't even stop with the GYVs; their parents are more likely to volunteer at Grumblethorpe, and more community members come to Grumblethorpe events because of the work the GYVs are doing. If there was ever a threat facing Grumblethorpe, the community might not have the financial means to support the historic home, but they would have the manpower and the desire to support the home's preservation. Grumblethorpe has achieved what many historic house museums are struggling to obtain – the support of the community.



JULIETTE GORDON LOW BIRTHPLACE: In 1912, Girl Scouts was founded in Savannah, Georgia by a visionary named Juliette Gordon Low. Her birthplace is now a thriving historic house museum owned by Girl Scouts of the USA. The site's mission is "to build girls of courage, confidence, and character who make the world a better place." While this is a unique mission statement for a house museum, it is consistent with the mission of empowerment that Juliette Gordon Low exemplified. The then Birthplace Director Lisa Junkin Lopez notes that "if The Birthplace was solely focused on history, it would not be achieving the Girl Scout mission. History is a tool that allows the site to achieve the broader Girl Scout mission of empowerment."⁴⁵ Inherent in the mission is a quest to make an impact in this world through empowering the girls who visit the home. The Birthplace achieves its mission through various tours, programs, and exhibits.

The Birthplace makes an effort to welcome every girl into the home just like Juliette would have welcomed girls in the early 1900s. The first touchpoint of empowerment comes when the docent asks the girls who they think owns the home. As Girl Scouts, *they* are actually the owners of this historic house. Equipping girls with this perspective not only gives them a personal interest in the site but also shows them that they can be owners and stewards of a historic asset even at a young age. As the tour progresses, girls are empowered to shape their learning experience by participating in problem solving activities and answering questions. For example, rather than having the docent lecture the girls about the artwork in the house, the girls are asked to interpret the art themselves using a museum education technique called

⁴⁵ Lopez, Lisa Junkin. "Interview of Lisa Junkin Lopez." Interviewed by Julia Bache. July 17, 2017.

Visual Thinking Strategies. Tours include games to encourage participation and confidence-building. The tours end with a visit to the library which houses an exhibit entitled “A Library Reimagined.” In the Lows’ original library, Girl Scouts can participate in creative activities and are challenged to be the authors of their own life stories. Today, the library holds a collection of books that are by, for, about, and donated by women and girls.

The site offers programs, each with its own unique and empowering theme. For younger girls, a program called “Be True to Your Selfie” explores the question of female identity in today’s world. Inspired by Juliette Low’s love for art, this program uses the art of collage-making to help girls reflect on their identities and create collages to express themselves. Girls embrace their personalities, interests, and strengths to discover how they can use each of their own talents and passions to make the world a better place. Another program called “She’s Got Game” uses active games to build courage and promote positive risk-taking. For high school Girl Scouts, a special program titled “Over Tea Cups” allows girls to have tea in much the same way that Juliette used tea time as a way to meet girls in the community and tell them about her new scouting organization. Tea time can be a genteel activity and, at some house museums, it appropriately still is. Yet, throughout history, women sometimes used tea time as a means to instigate change. At The Birthplace, tea is used as a platform to discuss girl power, just as women once discussed suffrage and civil rights over tea. This program culminates with an opportunity for girls to create a new “recipe” for empowerment.

Through its offerings, The Birthplace is helping build girls of courage, confidence, and character so they can be emboldened to make the world a better place. The Birthplace impacts around 15,000 Girl Scouts per year. What does it take to implement these impact initiatives? Lopez emphasized that the switch from operating as more of a traditional house museum to a site focused on social impact required a shifting of priorities and a new focus on the site’s mission. For example, it forced them to rethink their involvement in giving steeply discounted tours to senior citizen tour groups. While this discount was once

a valid strategy to attract visitors, it was in reality taking attention and resources away from the site's core audience. There were instances when girls could not enjoy the site because it was packed with bus tour visitors. This previous discount unfairly made Girl Scouts pay more for programming and tours than those who were outside the core audience. The Birthplace realized that focusing on Girl Scouts allows its core competencies to make the most impact. Thus, the organization decided to create new bus tour policies, create a standard group discount rate applied to all non-Girl Scout audiences equally, and shift available bus tour times so as not to conflict with the Girl Scout Experience programs. The Birthplace is now more likely to work with tour companies that are excited about the site's mission and content, rather than those simply looking for the best deal for tourists. While The Birthplace lost some revenue in this process due to the decrease in the number of total bus tours, more tour times opened up for girls and will ultimately make a bigger impact.

Even though some revenue was lost in this strategy change, there are financial benefits to focusing on social impact. Updating the girl programming to have more of an impact-focus allowed The Birthplace to cut costs. The original craft-based programs were material-intensive, so by focusing on more empowerment-based programming, The Birthplace has actually been able to save money. Furthermore, the difference for visitors has been unbelievable. The girls appreciate the connections between the past and the present. Visitors say they feel as if the tours and programs are speaking to them rather than at them. Girl Scout leaders love the new tours and programs so much that they are more willing to come back for subsequent visits. While The Birthplace did not set out to achieve recognition, these new innovative offerings have drawn national attention to the site which helps with brand recognition and awareness. The Birthplace has won two national awards for its library exhibit – a testament to the impact the reenvisioned space is achieving.^{46, 47}

⁴⁶ Malinick, Cindi, and Lisa Junkin Lopez. "Celebrating Our Success: A National Award for the Library at the Juliette Gordon Low Birthplace!" GSblog, Girl Scouts. May 10, 2017. Accessed April 8, 2019. blog.girlscouts.org/2017/05/celebrating-our-success-national-award.html#.WRXXr-Z7on4.wordpress.



Pearl S. Buck International

BRIDGING CULTURES | CHANGING LIVES

PEARL S. BUCK INTERNATIONAL: Pearl S. Buck was a passionate activist fighting against discrimination, an international humanitarian, and the first woman to win both a Nobel and Pulitzer Prize in Literature. Her most famous book, *The Good Earth*, is one of over 100 published books and thousands of other publications she authored. Pearl Buck lived in China the first 40 years of her life and Bucks County, PA, the second half of her life. Because of her personal experiences with discrimination in China, she became an activist for civil rights in the United States. As part of her activism work, she created a nonprofit in 1964 to help international children who faced discrimination due to the circumstances of their births. The nonprofit, eventually named Pearl S. Buck International (PSBI), was designed to support children who were disadvantaged from birth. On her 75th birthday, she bequeathed her Bucks County Farmhouse to PSBI, hoping her own home would be used to tell the story of her life's work and continue raising money to support children who faced discrimination around the world.

It seems only natural that PSBI would strive to continue her work of supporting children and advocating for diversity and inclusion causes. This case is unorthodox because, unlike other similar nonprofits, PSBI owns and operates a historic house museum. Volunteers started giving tours and operating a small gift shop almost immediately after Buck passed away, but their efforts did not raise enough money to operate the house. When President and CEO Janet Mintzer arrived in 2001, there had not been much restoration work on the house since Buck's death in 1973. The organization applied for a

⁴⁷ "American Association for State and Local History Presents Juliette Low Birthplace with Award of Merit." Juliette Gordon Low Birthplace, Girl Scouts of the USA. June 22, 2017. Accessed May 6, 2019. www.juliettegordonlowbirthplace.org/en/about/news-and-events/2017/american_association.html.

large grant to complete preservation work, and after a series of three capital campaigns, full restoration was complete in 2014.

Buck's house continues to work harder each day to increase its local and international impact. PSBI has continued her original sponsorship program that allows donors to support disadvantaged children in Asia, focusing on education, health care, and nutrition. Today, the house museum serves as a way to engage the local community and tourists in the call to sponsor children. From displaying brochures and pamphlets to larger banners on site, the organization uses Buck's house as a point of interaction with potential donors to present them with a clear call to action.

In addition to serving children overseas, PSBI has realized that its core competencies and Pearl Buck's legacy could also create a local impact. Inspired by Buck's work against discrimination and her efforts to build awareness of cultures through her writing, PSBI is growing its involvement in diversity, race, and inclusion efforts here in the U.S. The organization hosts community events that provide a space for public conversation around these topics. One such event was a forum at the African American Museum of Philadelphia (AAMP) about Pearl Buck and Race. At this event, Pearl Buck's writings were read aloud and discussed by a panel. Another event included a panel of immigrants who shared their stories. In addition to community discussions, PSBI offers consulting services to firms, non-profits, schools, and government institutions centered around the topics of diversity and inclusion. PSBI is using its core mission and competencies to improve society.

PSBI also organizes a global high school leadership program that brings a diverse group of about 20 high schoolers together for a unique and enlightening global and cultural experience. The students begin with team building activities and then work on developing their leadership skills. The students conduct a needs assessment of the countries that PSBI serves overseas as well as the work they do here in the U.S. They develop a problem statement and create a service project to address an issue they identify. For example, one group organized a cultural day about China. Students can either participate in this

program during the school year or over the summer. There is even a graduation ceremony at the program's conclusion. The ultimate goal is to help these students become global citizens and humanitarians like Pearl Buck herself. Many of the students subsequently become volunteers at the home as docents or tour guides.

PSBI has recently revamped their house tours to include more social impact, bridging the past to the present, which includes discussion on relevant issues today. The new house tour ties into the history of Buck's life work and serves to impact visitors while hoping to attract new diverse and younger audiences. PSBI sees social impact as a way to unite people, build appreciation for diversity, and also achieve greater financial sustainability through increased visitation and earned revenue programs.⁴⁸

SOCIAL IMPACT CASE STUDY TAKEAWAYS: Social impact initiatives at historic house museums do not compromise the site history or replace the mission of preservation; they allow house museums to utilize their core competency of site-specific history to make an impact for today's audiences. Through these types of initiatives, house museums can make their history both relevant and impactful, which will in turn support the preservation of the historic house and the organization's longevity. Impact initiatives can simultaneously create a foundation for genuine community relationships and help ensure financial sustainability.

⁴⁸ Mintzer, Janet. "Interview of Janet Mintzer." Interviewed by Julia Bache. July 21, 2017.

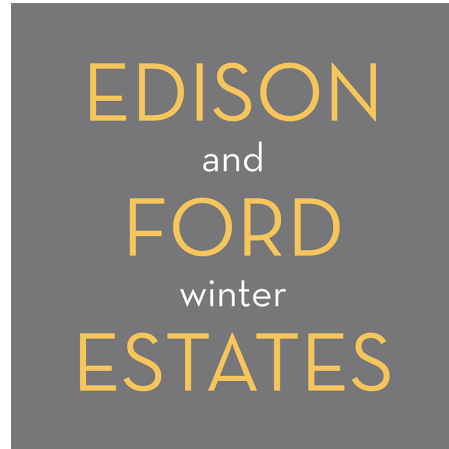
STUDY 3: HOUSE MUSEUM MERGERS

METHODS OF DATA COLLECTION AND ANALYSIS

My third hypothesis is: house museums that have merged into one organization will have greater financial sustainability due to synergies, economies of scale, and greater market power. Mergers are scarce among nonprofits, especially between historic house museums. Thus, since there are relatively few examples of house museum mergers, my research methodology involves conducting case studies on two examples of house museums that have merged.

I conducted qualitative research by interviewing directors of historic house museums that have merged. I conducted two case studies: the Edison & Ford Winter Estates in Fort Myers, Florida as well as the Wornall / Majors House Museums in Kansas City, Missouri. At The Edison and Ford Winter Estates, I interviewed Mike Cosden, the Executive Vice President, Brent Newman, the Chief Curator, and Matt Andres, the Curatorial Registrar. At Wornall / Majors, I interviewed Executive Director Kerrie Nichols. My interview questions focused on the results of merging as well as some pros and cons of pursuing a merger. Sample questions included: What synergies exist between the house museums? Are there economies of scale post-merger? How has the merger affected the museums' roles in the community? Unfortunately, the house museums that have merged did not keep financial records before merging, so it is difficult to quantitatively measure the benefits and costs of the mergers. Thus, my data collected primarily covers the reactions to and organizational implications of the mergers.

RESULTS



THE EDISON & FORD WINTER ESTATES: The Edison and Ford Winter Estates are located in Fort Myers, Florida. Thomas and Mina Edison built their winter home on the property in 1886. Edison built a laboratory on the property so that he could continue his work and research through the winter season. Henry Ford was introduced to Edison through work, and they became good friends by the early 1910s. Henry and Clara Ford bought the property next door to the Edisons in 1916. They spent most Februaries there between 1917 and 1931 and enjoyed celebrating Edison's birthday with him.

Eventually, both homes fell under ownership of the City of Fort Myers; Mina deeded the property to the city for \$1.00 in 1947, and Ford sold his home to another family in 1945 who then sold it to the City of Fort Myers in 1988. The Edison home opened to the public in 1947 and the Ford home eventually opened to the public in 1991. From 1991 to 1997, the public could visit both the Edison Estate and the Ford Estate, but there were separate admissions for both houses. There were different staff overseeing each house, and operations were separated. In 1997, the City of Fort Myers decided it would be best for the operations and management of the two houses to merge. Subsequently, a non-profit organization was created in 2003 and given main governing authority over daily operations and stewardship in 2006.

Today, these house museums are thriving with about a quarter of a million visitors per year. At the Edison and Ford Winter Estates, one-hundred visitors is considered a "low day." Looking back, it is

easy to wonder why the homes' operations were not merged from day one. The houses are right next to each other, and while they are architecturally different, their periods of significance overlap. Edison and Ford were such good friends, and their time at these houses was so intertwined that it is hard to imagine the houses being interpreted separately. However, the economy and methods of interpretation here have changed significantly in the last thirty years. Current tours focus much more on the friendship of Edison and Ford and their families than they once did.

Originally, the major uneasiness about the merger was concern that the Ford Estate would be overshadowed by the Edison Estate if they did not remain their own unique properties. From Executive Vice President Mike Cosden's review of newspaper articles and city minutes, there was no significant resistance to the merger, but the parties involved were certainly concerned about what the merger would mean for the future significance of the Ford Estate.⁴⁹ The Edisons spent a greater amount of time in Fort Myers than the Fords did, so the Edisons were much more connected to the community and the city than the Fords. Thus, the Ford home was secondary to the Edison Home in the community's perception, and people were worried it would lose its significance compared to the Edison Estate if they merged. To address this concern, the staff has worked hard to develop the Ford side of the history and ensure the truth of their friendship and time together comes across in how the site is interpreted.

Matt Andres, the Curatorial Registrar at the Edison & Ford Winter Estates, commented that they are still working hard to ensure Ford's history is not overshadowed at the site.⁵⁰ To increase the prominence of the Ford narrative, the visitors' center museum main gallery now features a large exhibit about Ford, and that exhibit is often the first piece of interpretation many visitors see. The site has increased its amount of interpretation around the Ford Estate, and additional research and documentation is being conducted through a more in-depth historic structures report for Ford's house. The organization is

⁴⁹ Cosden, Mike. "Interview of Mike Cosden." Interviewed by Julia Bache. May 24, 2018.

⁵⁰ Andres, Matt. "Interview of Matt Andres." Interviewed by Julia Bache. January 3, 2019.

also creating new programming around Ford's history including a current endeavor to fabricate the Quadricycle, his first car.

The merger itself was a relatively smooth process, as both homes were already owned by the City of Fort Myers. City officials determined that it made logical sense to combine the two properties and offer one comprehensive tour. There is limited data pre-merger, so a greater quantitative analysis on the change in visitors, donations, volunteers, etc. before and after the merger is not possible. However, there was a spike in attendance recorded immediately after the merger occurred. While the incomplete visitation data does not allow an analysis of the exact attendance numbers, the fact that there was an attendance increase is a positive sign.⁵¹ Today's visitation numbers of approximately 260,000 people per year are so impressive that, on the surface, the merger seems to have been a plus for visitation. Furthermore, in 1998, one year after the merger, a volunteer program debuted, so volunteer enrollment increased exponentially after the merger.

Cosden also elaborates that the site is certainly more marketable now than it was when the two sites were operating separately. The merger has allowed the Estates to rethink the narrative of interpretation; the narrative previously focused more on Edison and Ford as individuals but today it concentrates more on the interplay between Edison and Ford and their families. Post-merger, the site collectively attracts visitors who are interested in either Ford, Edison, southern estates, horticulture, or transportation. In addition, the grand size of the combined properties makes it a more appealing destination. It is worthy of a full-day visit because there is so much to see, learn, and do on the grounds. This increased amount of tourism does have its downsides; tours are so large and frequent that they no longer enter the houses for the sake of timing and preservation. However, with a greater audience, the Estates can better achieve its mission and financial sustainability.

⁵¹ (Annual attendance records are only available starting in 2007.)

The expenses have increased as the organization must now preserve a combined 23-acre property with 11 historic structures, but the cost synergies that exist between the homes help make the merger worthwhile. One cost savings is that the site incurs fewer expenses by printing one set of tickets as opposed to two different sets. Another efficiency has resulted from a merged staff and volunteer pool. Cosden highlights that “there are many synergies—today, it would require a large staff and budget if we were to operate the two Estates separately.”⁵² Rather than having two marketing budgets, the site has one marketing budget. Cosden concludes that the Edison & Ford Estates story “does speak well to the value of combining (or merging) these sites when it fits into a logical historic narrative” (Cosden 2018).

It is important to reiterate that this merger was not a merger of ownership, it was simply a merger of operations and interpretation. There are multiple examples of house museums across the country that are owned by the same local government or historical society that operate separately but could potentially benefit from a merger. In this particular case, the two Estates’ histories are closely interlaced. The merger created an extremely high degree of interpretation synergy as the interpretation at the two merged museums is greater than the sum of its parts. Ultimately, the merger led to a more positive visitor experience and greater financial sustainability for the Estates.

⁵² Cosden, Mike.



WORNALL / MAJORS HOUSE MUSEUMS: In 1972, the Wornall House became the first house museum in Kansas City, Missouri. The Wornall family had lived in the home until the 1960s when they sold it to the Jackson County Historical Society. The historical society renovated the house and operated it as a house museum until the early 1990s when it became an autonomous entity as its own nonprofit. The Wornall House still maintains a positive relationship with the historical society, but current staff members are unsure why it originally became its own nonprofit. Today, multiple generations of the Wornall family come back to the site for family reunions.

Alexander Majors, the famous frontier freighter, built a house in Kansas City for his wife, but he only lived there for two years before he moved away with his freighting operations. The home eventually fell into disrepair until Major's great-great-granddaughter rallied to save the house. She bequeathed the house to a married couple, Terry and Victoria Chapman, who restored the house, created the Alexander Majors Historical Foundation, and opened the home up to the public in the mid-1980s. This mom and pop team ran the house museum for years, but as they aged, the board decided the Majors House needed a buyer in order to remain open as a museum. In looking for a buyer, The Majors House needed an operating staff so that it would not have to rely solely on volunteers. The site also looked for a partner with greater financial sustainability and desired a merger with another house museum for the sake of its

mission. The Majors House found its much needed staff, financial stability, and mission compatibility in the Wornall House Museum.

The Wornall House Museum was doing relatively well financially and operationally at the time, but it was searching for growth opportunities and greater long-run financial sustainability. The Wornall House has no significant event space on site as the maximum occupancy is 30 people per room. Thus, the Wornall House on its own cannot host any large scale events that could bring in greater audiences and greater revenues. When presented with the opportunity to merge with the Alexander Majors House, the Wornall House found a perfect solution to its need; the Majors House has a large barn on site which offers event space for camps, weddings, and fundraising events.

With benefits to both house museums, the Majors House and Wornall House proposed a merger. Initially, the merger did receive some resistance. A Wornall family member wanted to dismiss the merger as an unrealistic option, but other family members helped her accept the idea. When the merger was approved, the two houses celebrated with a mortgage burning party – the present staff is unsure what mortgages they were burning, but this ceremonial act helped form the new relationship. Many benefits have resulted from the merger: interpretation synergies, increases in community engagement and revenue sources, cost efficiencies from economies of scale, and reinvigorated excitement for preservation and strategic planning.

The Wornall House and the Majors House were actually built within two years of each other, so they represent the same period of historical significance. Rather than separately telling the story of Kansas City in the years leading up to and during the Civil War, the houses now work together to tell that story. Director Kerrie Nichols remarked, “There is a very positive energy to that combined message because the houses were built within two years of one another. Having the two house museums together heightens the message of the history of Kansas City and of our nation, how people lived and how they worked. It

doesn't feel like they're separate; it's a very unified and strengthened message."⁵³ Interpretation synergies have resulted from the merger now that the two houses now interpret their histories more effectively as a combined nonprofit.

Another positive financial outcome of the Wornall / Majors merger is an increase in community engagement and revenue. The organization can now accommodate a broader audience and host a wider variety of income-generating programs and events. The organization now takes advantage of the Majors barn to put on interpretive programming and offer rental space to the community. The barn accommodates camps, historical programming, fundraising events, weddings, vow renewals, and local business meetings. While the Majors Historical Foundation owned this space pre-merger, it did not have the proper staff base, volunteer support, or strategic vision to utilize the venue to its fullest programmatic and economic potential. Prior to the merger, the Wornall House was able to host more intimate gatherings but did not have a space of this size to host larger community events. Combining the two museums' particular assets has allowed for increased community engagement and income diversification.

In addition to generating positive revenue effects, the merger has created cost efficiencies from economies of scale. Wornall / Majors manages maintenance, insurance, and security costs for each house by combining resources and utilizing its greater bargaining power. Nichols emphasized the greater leverage the organization has post-merger in negotiating costs with suppliers now that the organization comprises two sites rather than just one.

The Wornall / Majors House Museum also has greater marketing leverage which is crucial for achieving better branding and awareness. During the merger, the organization created a new logo to present a unified brand. Wornall / Majors received a \$17,000 grant in 2018 through the city's tourism and development fund. This generous grant allows them to work with a marketing professional to design billboard, television, and radio ads to become a more recognized brand name. Never having spent more

⁵³ Nichols, Kerrie. "Interview of Kerrie Nichols." Interviewed by Julia Bache. May 24, 2019.

than \$2,000 on marketing previously, the organization now pursues wider marketing and community outreach efforts.

The volunteer teams, while not large, have benefitted from the new sense of teamwork between the two houses post-merger. In one particular example, two women on the collections committee originally used to volunteer at only one house, but they have become a seamless team and work on the collections for both houses. This sense of camaraderie has allowed them to put their respective passions and skills to work for a united vision. Overall, the merger has generated human resources flexibility as there are staff and volunteers who can address the needs at either site.

On the governance side, the nonprofit has established a new set of bylaws for the merged sites. A new mission statement redefined the united mission. The merger also spurred the creation of the first ever strategic plan. Both houses thought about the long-term future for the first time by creating structure and direction with a five-year strategic plan. The plan included daily maintenance guidelines, a long-term structural needs plan, goals for revenue generation, and programmatic and event-based goals.

Post merger, Wornall / Majors has greater community influence and has formed several key partnerships to achieve its mission. The nonprofit has partnered with Heart of America, a Shakespearean theatrical organization that provides its own volunteers at its shows in the Majors barn in return for free performance space. Wornall / Majors works more with the local government now, as well as other cultural organizations like the Missouri Humanities Council. Wornall / Majors also partners with Freedom's Frontier National Heritage Area, a local leader in community engagement. These recent partnerships have flourished since Wornall / Majors banded together and created a new strategic plan for achieving its community goals.

Ultimately, the merger has provided undeniable effects in the mindset and energy of board members, staff members, and volunteers. The merger has given stakeholders a greater willingness to explore new possibilities and experiment with new ideas. When the current director Kerrie Nichols

arrived in 2014, she said the board was excited and confident about their decision to merge the Wornall and Majors houses. Nichols is grateful for the robust energy and excitement the merger has sparked in the board, staff, and volunteers to achieve this preservation mission in Kansas City.

MERGER TAKEAWAYS: My original hypothesis was supported. House museums that merged were able to achieve economies of scale and operational efficiencies. They were more marketable and had a stronger presence in the community, thereby achieving their missions to reach wider audiences.

Moreover, an unexpected finding was the interpretation synergies that resulted from the mergers. When two or more sites interpret the same historical era or theme, merging can augment the interpretation for both sites. These potential interpretation synergies could arise between house museums of:

- the same era of significance
- adjacent eras of historical significance (to show a fuller local history)
- similar prominence in local or national history
- the same historical theme (e.g. military history or agricultural history)
- residents of the same family or social network
- similar relevance to the 21st century (e.g. two sites highlight women's leadership from different eras but work together to empower women today)

LIMITATIONS

SURVEY RESULTS LIMITATIONS: In conducting my survey of house museum visitors, I had a healthy sample size of 134 survey respondents. One limitation is that there was only one person who reported feeling five emotions. Therefore, the data in the “five emotions” category is limited because it is based on one person. Still, I think that the visitor with five emotions is an interesting outlier to study. Most tourists reported two or fewer emotions, so the average visitor did not find touring a historic house to be an overly emotional experience.

STATISTICAL STUDY LIMITATIONS: As discussed in the paper, correlation does not equal causation, so my research cannot claim that social impact initiatives caused higher revenues and higher expenses - the higher revenue and higher expenses could have fostered the creation of social impact initiatives instead.

Another potential limitation is that this statistical study does not control for all of the possible confounding variables such as size, location, or historical significance of the house museums. However, in utilizing the Wilcoxon test, I was able to measure statistical significance based on the rank of the financial metrics rather than their nominal value, so this helped control for the effects of outliers.

A final limitation is the sheer lack of house museums with social impact initiatives. My sample size included only 14 house museums with social impact initiatives which is not ideal since it is less than the target sample size of 30. Further research should be completed in the future once more house museums implement impact initiatives.

MERGER CASE STUDY LIMITATIONS: The house museums I studied kept almost no records before the mergers, so it is impossible to do any quantitative analyses of pre- and post-merger numbers. I was not able to interview anyone who was involved at the sites during the time of the mergers, so my data is only based on the interviews of current staff who are familiar with how the sites operate post-merger.

FUTURE RESEARCH

EMOTIONS AND HISTORICAL RELEVANCE: My current research focuses on visitors' perceived emotions and historical relevance on typical house museum tours. In the future, I would like to see research that studies a house museum before and after making its tour more emotions-based and relevant.

SOCIAL IMPACT: Since house museums with impact initiatives are positively correlated with higher revenue, I would be interested to see further research on the expense side of the budget. What exact costs are incurred in implementing social impact initiatives? Is there a way to make the impactful sites even more financially sustainable?

MERGERS: The results from the merger case studies clearly highlight the benefits of house museum mergers. It would be interesting to conduct further research on the topic of interpretation synergies. Can house museums achieve interpretation synergies with other organizations like historical societies or community nonprofits?

CONCLUSION

Throughout my four years of researching the financial sustainability of historic house museums, I have loved interacting with visitors after tours and interviewing museum directors. I believe house museums are special places where history can come to life and can impact the lives of visitors today. In order to accomplish this mission, it is important to look at the organizational side of how these institutions operate.

I have learned that tours are truly a valuable touch point for visitors and that their tour experience can impact their future involvement with the site. Increasing the number of emotions guests feel on their tours will increase their customer lifetime values. In addition, making the history presented on tours more relevant to the modern audience will increase guests' customer lifetime values. I urge house museums to

consider how their sites' history can be presented in a way that is exciting, memorable, and influential for the guests who walk through their front doors.

I believe house museums have the potential to be relevant while also making a difference in society. While social impact initiatives are currently correlated with both greater revenues and greater expenses, the case studies highlight all the qualitative benefits of implementing impact initiatives. They might not be correlated with higher net revenue today, but they help house museums engage more diverse audiences, make a positive difference in the community, and empower the next generation of change-makers.

I found that mergers lead to organizational synergies and economies of scale, but what I wasn't expecting to find was the remarkable interpretation synergies that resulted from the mergers. I am now intrigued by this concept that some sites might be able to interpret history better together than individually. This would serve to benefit the multiple historic sites in each town as well as show visitors that the local history is larger than just one site.

My research makes me optimistic about the future of historic house museums. While the house museum model may need updating as it competes with many other forms of entertainment and knowledge consumption in the 21st century, there are ways in which house museums can position themselves to become more financially sustainable, relevant, and impactful for today's audience.

APPENDIX

DETAILED METHODS OF DATA COLLECTION AND ANALYSIS: SOCIAL IMPACT STATISTICAL STUDY

DATA SOURCE: I utilized the online nonprofit database GuideStar to gather summary financial information about various house museum nonprofit organizations. GuideStar collects, organizes, and distributes information about U.S. nonprofits (GuideStar). This database platform publishes the 990 forms of nonprofit organizations and provides summary statistics of these 990 forms on the website.

DATA COLLECTION PROCESS: Within the GuideStar database, I searched the keyword “historic house museum.” For simplicity and comparability, I only included nonprofit organizations that owned/operated one house museum. I excluded any nonprofit organizations that owned or operated more than one house museum. I also excluded historical societies which owned house museums since I wanted to avoid entangling any financial components not directly related to the operation of house museums. To avoid the complications around the time value of money, I also ensured all my data was from the 2015 fiscal year.

DATA SORTING PROCESS: After creating the dataset based on the above search criteria, I categorized the house museums into two categories: 1) those with social impact initiatives and 2) those without social impact initiatives. I sorted the house museums into these two categories based on each nonprofit’s mission statement.

DATA SAMPLE SIZES: The dataset included a total sample size of $n=50$ historic house museums, with sample size of $n=14$ social impact house museums and a sample size of $n=36$ non-social impact house museums. While it would have been ideal to have at least 30 social impact house museums in the dataset, the data was limited as social impact house museums are a developing trend.

MISSION STATEMENT AS SORTING METHOD: I decided to analyze the mission statement of the historic homes since this objective summarizes the organization’s core purpose and goals. If a social impact focus

is evident in the mission rather than just a one-time program, the financial effects of the social impact initiative become more clear.

In categorizing mission statements, I defined social impact as a combination of: “the effect an organization’s actions have on the well being of the community” (Knowledge@Wharton) as well as “a significant, positive change that addresses a pressing social challenge” (Ross). In order for a house museum to be a social impact organization, its mission statement needs to convey its effect on the well-being of the community and its positive change in the face of a social challenge. Social challenges can range from large issues like gender inequality to local issues like community needs. An example of a social impact mission is: “Using the life and work of Alice Paul as a model, the Alice Paul Institute seeks to educate and empower women to serve as catalysts for people to recognize and acknowledge the relationship between their lives and the larger social, economic and philosophical movement toward women's equality” (Alice Paul House).

FINANCIAL METRICS: I gathered and recorded financial data for each house museum based on the categories documented on the 990 Forms in the GuideStar database.

REVENUE CATEGORIES:

Contributions and Gifts: contributions received directly from individuals and foundations

Government Grants: contributions from federal, state, or local governments that are considered to provide a direct benefit to the general public (does not include government contracts)

Program Services: revenues received by an organization while charging for the services for which it received tax-exemption (e.g. museum admissions, program tickets)

Investments: revenue from investments

Special Events: events in which volunteer hours and/or in-kind donations are converted into cash (e.g. used book sale)

Sales: auxiliary sales (e.g. gift shop)

EXPENSE CATEGORIES:

Program Services: expenses incurred by the organization while performing its tax-exempt activities (e.g. program expenses)

Administrative: expenses related to the day-to-day operation of an organization (e.g. personnel, legal, accounting, insurance, office management)

STATISTICAL PROGRAM: I logged these financial statistics per house museum in a JMP dataset.

STATISTICAL ANALYSIS: I worked with Professor Abba Krieger, Wharton's Robert Steinberg Professor of Statistics, Operations, Information and Decisions, and Marketing, to determine the best statistical method of analysis. Professor Krieger and I concluded that the Wilcoxon Test was the best method of statistical analysis for this dataset. Since the dataset's smaller size encourages retention of any outlying data points, the Wilcoxon test allows for an analysis that takes away the effect of extreme outliers and skewed data.

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